Daily Report

Central Eurasia

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Central Eurasia

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NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

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Defense Ministers Discusses Tajik Settlement

LD2010102694 Moscow Ostankino Television First Channel Network in Russian 0852 GMT 20 Oct 94

[From the "Novosti" newscast]

[FBIS Translated Text] Extraordinary sessions of the CIS Council of Defense Ministers opened today at the headquarters for coordination of military cooperation of the CIS countries.

[Correspondent Andrey Murtazin] The session was opened by Russia's First Deputy Defense Minister Boris Gromov. The heads of military departments are examining two main questions: the peacemaking operation in the Georgian-Abkhaz conflict area, and extending the stationing of the collective peacemaking forces in Tajikistan.

[Murtazin] Valeriy Anisimovich, what in your view are the prospects for a settlement of the situation in Tajikistan?

[Patrikeyev] I am convinced that it is impossible to resolve the problems there by force of arms but by force of persuasion. It is necessary to continue the talks process. Indeed, today the third round of talks is opening in Islamabad to seek a compromise in resolving these conflicts. Only by political means, by means of dialogue, by means of compromise—there is no other way.

[Murtazin] Later today the Commonwealth defense ministers will continue their work but with more people present, with the participation of their states' foreign ministers. At the expanded session too the subject of an inter-Tajik settlement is likely to dominate.

[Announcer] Meanwhile, an agreement on a temporary cease-fire and an end to other hostilities on the Tajik-Afghan border and in the country came into force at 0800 this morning and will operate until the adoption of the new Constitution and the election of the president of Tajikistan.

ITAR-TASS Carries Press Review for 20 Oct

LD2010080594 Moscow ITAR-TASS in English 0617 GMT 20 Oct 94

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow October 20 TASS—Today's issue of IZVESTIYA has the following headline on its front page: "This Issue is Devoted to the Memory of Journalists Killed This Year." The newspaper frontpages a photo of Dmitriy Kholodov, killed by terrorists several days ago, a list of the names of other journalists, who fell victim to terrorism, as well as a list of cases, when attempts were made on the lives of journalists. According to the newspaper, all this shows that "the freedom of speech has become the target of terrorism in Russia, but ... The authorities are neither saying nor doing anything about it. Attempts on the freedom of speech go unpunished."

"The profession of a journalist is mortally dangerous in Russia," KOMSOMOLSKAYA PRAVDA writes. "We are being persecuted, destroyed economically and, finally, killed. An open, brazen terror has been unleashed in the country. Its purpose is to intimidate and strangle the freedom of speech, to turn the press into a servant, which will follow obediently the orders of new 'bosses'. All this is taking place with the silent consent of the authorities."

KRASNAYA ZVEZDA expresses doubt that officials from the Russian Defence Ministry were involved in the murder of Dmitriy Kholodov, as some mass media organs reported. "The accusation is too outright. The investigating authorities should have a final say. As for us, we should see to it that this time at last the investigation will be finished, and a murdered will be found and called to account," the newspaper writes.

ROSSIYSKAYA GAZETA carries an interview with Ivan Rybkin, chairman of the State Duma, which dealt with the forthcoming discussion of the vote of confidence in parliament. Responding to the question, whether or not a vote of no confidence to the government may be passed by the State Duma as a result of the discussion, Rybkin said that "the government's report about the fulfillment of the budget will be of decisive importance. Much will depend on the quality of the draft budget for 1995 and accompanying documents, including the main directions of the monetary and crediting policy, submitted by the government." The most important thing, in his opinion, is to ensure that Russia will have an effective, purposeful and resolute reform-oriented government with a clear and coherent programme of action.

Newspapers continue to cover the developments, connected with the collapse of the rouble exchange rate with regard to the U.S. dollar. The press analyses the causes underlying it. According to NEZAVISIMAYA GAZETA, the developments, that took place at the Moscow currency exchange on "Black Tuesday", reflect an overall situation with the monetary and crediting system in Russia. Quoting an official report of the Russian Security Council, IZVESTIYA writes that there were objective reasons to the collapse of the rouble exchange rate, including the falling-off of production, the deficit of the state budget, as well as the non-taking by the executive authorities of measures, which would be adequate to the current situation. After analysing the causes of the collapse of the rouble exchange rate, the newspaper comes to the conclusion, that "those who masterminded the developments on the 'Black Tuesday' will never be found."

ROSSIYSKIYE VESTI calls attention to the shroud of secrecy around the work of the commission. "Russian citizens paid too high a price for the mistakes of the

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government, for the games played by the Finance Ministry, the Central Bank and stock exchange dealers. This is why they have every right to know what really happened on the 'Black Tuesday'. However, all is being kept secret. There are situations in which the openness of the authorities is being tried. It is exactly this situation that formed as a result of the collapse of the rouble exchange rate." According to the newspaper, the keeping secret of the report of the commission is as detrimental to the reputation of the authorities, as the developments of the "Black Tuesday" themselves.

Commenting on the presidential decree about the creation of the National Banking Council, NEZAVISIMAYA GAZETA writes that "the authors of the decree intend to give powers to the National Banking Council, which will make its resolutions mandatory for the Central Bank." This means, the newspaper continues, that "an end will be put to the independence of the Central Bank from the executive branch." It is quite probable that the adoption of this decree will intensify confrontation between the president and the parliament, NEZAVISIMAYA GAZETA stresses.

Prime Minister Viktor Chernomyrdin emphatically refuted rumours about his resignation. He said in an exclusive interview with KOMSOMOLSKAYA PRAVDA and TRUD that "someone needs it, some people, whose main goal is to destabilise society." Speaking about the reasons for the unstable exchange rate of the national currency, Chernomyrdin pointed out that both the government, the Central Bank and other institutions responsible for this work are to blame for it. However, the collapse of the rouble exchange rate might have never taken place. In his opinion, some forces took advantage of the situation, found a loophole and provoked the collapse of the rouble exchange rate.

He said that the government was drawing up a "comprehensive conceptual framework", which will provide guidelines for the work of the government, aimed at further promoting the reform in the country. The conceptual framework will be in line with the "toughening" of the reform, which was mentioned recently by President Yeltsin.

TRUD carries an interview with Arkadiy Volskiy, chairman of the Russian Union of Industrialists. Speaking about his adherence to the policy of centrism, Volskiy stressed that "centrism is not a conciliatory position, but the rejecting in principle of any kind of extremism, both left-wing and right-wing." In his opinion, the developments in Russia prove the correctness of his idea that "centrism will not take root in Russia today. It takes much time."

Touching upon the problem of nationalism, the so-called "Russian idea", Volskiy said that the "Russian idea" has the right to exist as an acute concern about the preservation of cultural, historic and moral values. "But I would rather speak about the patriotic, state Russian idea, because one should not forget about a lot of non-Russians, living on our territory," he stressed.

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Yeltsin, UK Foreign Secretary Hold Meeting

LD1910142794 Moscow ITAR-TASS World Service in Russian 1505 GMT 19 Oct 94

[FBIS Translated Text] Moscow, 19 Oct—Russian Federation President Yeltsin today met with British Foreign Secretary Douglas Hurd who is accompanying Queen Elizabeth II of Great Britain and Northern Ireland on her trip to Russia.

The press office of the head of the Russian state said that in the course of the conversation, questions concerning interaction between Russia and Great Britain with respect to international problems were discussed

Yeltsin said that Russia and Great Britain had reached a high degree of mutual understanding and cooperation on all the crucial international problems.

Hurd Understands Flank Quotas Concern

LD1910115694 Moscow ITAR-TASS in English 1115 GMT 19 Oct 94

[By ITAR-TASS correspondent Mikhail Shevtsov]

[FBIS Transcribed Text] Moscow October 19 TASS—Special Attention was devoted to the discussion of the problem of Russia's flank quotas, fixed by the treaty on the reduction of conventional armaments in Europe, during the meeting between Russian Defence Minister Pavel Grachev and British State Secretary for Foreign and Commonwealth Affairs Douglas Hurd, which took place here today at the guest's request. The talks touched on a wide range of military- political problems of mutual concern.

The defence minister told journalists after the meeting that Russia could not agree to having, for instance, not more than 700 tanks on its northern and southern flanks, whereas no restrictions are imposed on its conventional armaments in Kaliningrad Region, which is not covered by flank limitations.

Grachev described this situation as paradoxical, noting that Russia wanted to reach agreement with its partners under the treaty to withdraw our units into the hinterland from the "heart of Europe" and to deploy them on the country's flanks. In this case we shall be able not only to meet Russia's strategic interests, but also to facilitate the solution of social problems linked with the redeployment of our troops. At present, some regions along the Volga, in the Urals, and in the central part of Russia are overcrowded with troops withdrawn from CIS countries.

According to the defence minister, Hurd agreed in principle with Russia's concern about the flank quotas. A team of Russian, British, and American experts are now working on these problems in London. Grachev expressed the hope that Russia's view on the problem of flank limitations would meet with the understanding of its partners under the conventional armaments treaty.

Much attention during the meeting was devoted to the assessment of the situation in the Persian Gulf area. Grachev believes that there are no grounds for fears of a new Iraqi aggression against Kuwait. Iraq, in his opinion, is not only fulfilling all its promises concerning the withdrawal of armour from the security zone, but is returning it to places of its permanent deployment.

Hurd described Saddam Husayn as a dangerous person and expressed fears that he might breach his promises. Hence, the British side is insisting on tough controls over the situation in the Persian Gulf and, consequently, on the presence of coalition forces there. For his part, Grachev expressed the view that there was no need for such a large concentration of troops on the Iraqi border.

Kozyrev Meets UN Leader Butrus-Ghali

LD1910205394 Moscow ITAR-TASS in English 2040 GMT 19 Oct 94

[By ITAR-TASS correspondent Sergey Baybakov]

[FBIS Transcribed Text] New York 19 Oct (TASS)—Russian Foreign Minister Andrey Kozyrev left here for home on Wednesday after taking part in the U.N. Security Council's discussion of the Gulf situation.

While in New York, Kozyrev informed U.N. Secretary-General Butrus Butrus-Ghali of his tour of a number of Middle Eastern countries on a commission from President Boris Yeltsin.

The Russian foreign minister also met with U.S. Secretary of State Warren Christopher and had meetings with the leaders of some delegations attending the 49th session of the U.N. General Assembly.

Grachev on Possible Repeated Iraqi Aggression

LD1910163994 Moscow INTERFAX in English 1410 GMT 19 Oct 94

[FBIS Transcribed Text] Currently there are no grounds for fearing Iraq's repeated aggression against Kuwait, declared Russian Defense Minister Pavel Grachev.

During his meeting with journalists on Wednesday in Moscow he pointed out that "available information, meetings between Russian and Iraqi military leaders, and results of Russian Foreign Minister Andrey Kozyrev's trip to Baghdad" reconfirm this fact.

Grachev indicated that Russia is linked with Kuwait, as well as with other Persian Gulf countries, by an agreement on cooperation. "That is why we are interested to prevent aggression against this state," he noted.

Iraq, Grachev continued, has not only withdrawn its forces from its border with Kuwait but is returning its military equipment to the site of their permanent stationing. At the same time Grachev stressed the need to

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continue negotiations with the Iraqi leadership in order to prevent the possibility of a repeated aggression against Kuwait.

Grachev reported to journalists that he worded this position at the meeting with British Foreign Minister Douglas Hurd on Wednesday. He noted that the position of the British leadership "slightly differs" from the Russian one. "They think that Saddam Husayn is a dangerous man. Great Britain is therefore in favor of a presence of coalition forces in the Persian Gulf," Grachev said.

On this score Grachev expressed doubt on the expediency of such a presence of "a large grouping" in Saudi Arabia and Kuwait in order to maintain peace in this region.

U.S. Blocking Proposals on Bosnia Sanctions

LD1910191994 Moscow INTERFAX in English 1712 GMT 19 Oct 94

[From the "Diplomatic Panorama" feature by diplomatic correspondents Aleksandr Korzun, Igoro Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] Moscow sees its major task in persuading its western partners to encourage Belgrade to adopt the international plan of settlement in Bosnia-Herzegovina, a top ranking official from the Russian Foreign Ministry reported to Interfax commenting on the sitting of the contact group on Bosnia which started its work on Wednesday in New York.

Russia, the United States, Great Britain, France, and Germany make up the contact group. Russia's deputy Foreign Minister Vitaliy Churkin, special envoy of the Russian president on settlement in the former Yugoslavia represents Russia at the current sitting.

According to the source, Moscow sees the key towards conflict settlement in this region in fixing the course towards blockade of the Bosnian Serbs pursued by Serbian President Slobodan Milosevic. "Nobody can propose any other variant but influence upon the Bosnian Serbs via Belgrade in order to force them to revise their position," the diplomat underlined.

In his opinion, if President Milosevic turns downs his course the international community will have no more levers to influence Bosnian Serbs. "It is possible to retain Belgrade on the current positions if Serbia's population feels that actions of its leadership bring tangible fruits so as to lighten conditions of life," the diplomat believes.

He indicated that the recent partial cancelling of the sanction against Belgrade is "of symbolic nature." "It is necessary to transfer to the economic level. Russia has already forwarded corresponding requests to the UN Committee on sanctions but "they are not being considered due to the position of the United States," the source reported.

In his words, Russia also insists that the contact group should precisely fix guarantees regarding equal rights of all three peoples of Bosnia-Herzegovina (Serbs, Croatians, and Moslems—Interfax). "In particular, we strive that the parties of the contact group fix the right of the Bosnian Serbs for the creation of a confederation with Yugoslavia as it was done with respect of the Moslem-Croatian federation," the diplomat explained.

At the same time he underlined that the international community would not agree to changes on the map of Bosnia-Herzegovina's territorial division as a preliminary provision for the adoption of the peace plan. "The plan should be adopted unconditionally and in the future the map can be corrected on a bilateral basis," the diplomat said. As he said, "there are certain signs that Moslems and Croatians, on the one hand, and Bosnian Serbs, on the other hand, can make mutual compromises."

As the source said, at the New York sitting of the contact group the Russian party will raise the issue on NATO plans to expand its coercive pressure upon the conflicting Bosnian parties. "We are interested how these plans are coordinated with the UN Security council resolutions, what consequences these coercive acts can have for the Russian contingent of "the blue helmets' in Bosnia," the source explained.

Foreign Ministry Condemns Tel Aviv Bombing

LD1910192194 Moscow ITAR-TASS in English 1836 GMT 19 Oct 94

[FBIS Transcribed Text] Moscow 19 Oct (TASS) - Russia has strongly condemned the terrorist act carried out by the extremist group Hamas [Islamic Resistance Movement] in Tel Aviv on Wednesday, which killed over 20 innocent Israelis, a statement issued by the Russian Foreign Ministry said.

The ministry expressed the confidence that "the crimes committed by extremists cannot and will not stop the onward movement of the Middle East peace process." As an example, the statement pointed to "the Palestinian-Israeli talks that have resumed in Cairo in the run-up to the signing of a peace treaty between Israel and Jordan."

Yeltsin To Visit Kiev When Disagreements Settled

LD1910212094 Moscow INTERFAX in English 1918 GMT 19 Oct 94

[FBIS Transcribed Text] President Yeltsin told media leaders on Wednesday that he would visit Kiev after all basic differences in bilateral relations are settled.

Among the disputable issues he named the Black Sea Fleet and Crimea. He proposed including in this list the problem of protecting the Russian journalists working in Ukraine.

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He admitted that the drafting of the Russian-Ukrainian treaty was proceeding with difficulty.

He said that he had a telephone conversation with President Kuchma on Tuesday night and that he maintained good business and personal relations with the Ukrainian president. He also said that following Kuchma's election to the presidential post, Russian-Ukrainian relations should change for the better.

Government Supports U.S.-DPRK Nuclear Accords

LD1910115894 Moscow ITAR-TASS World Service in Russian 1128 GMT 19 Oct 94

[By ITAR-TASS diplomatic correspondent Vladimir Fedoruk]

[FBIS Translated Text] Moscow, 19 Oct—Russia supports the U.S.-North Korean accords on nuclear issues, a high-ranking Russian Foreign Ministry official has told ITAR-TASS. According to him, this can become a basis for resolving the nuclear problem on the Korean peninsula.

He noted, however, that the nuclear problem is not the only one in that region of the world. An international conference on security and the Korean peninsula's non-nuclear status, which has been proposed by the Russian Federation, can resolve them as a package, the Russian diplomat stressed.

Moscow proposed to hold a conference to be attended by Russia, Japan, China, the United States, the DPRK, the Republic of Korea, the United Nations and the IAEA [International Atomic Energy Agency]. The list of participants in the forum can be expanded.

Grachev on Plans To Base Army in Regional States

LD1910133294 Moscow ITAR-TASS World Service in Russian 1246 GMT 19 Oct 94

[By ITAR-TASS correspondent Mikhail Shevtsov]

[FBIS Translated Text] Moscow, 19 Oct—The Russian army intends to have about 5,000 servicemen in the Trans-Caucasus region, Russian Defense Minister Pavel Grachev told journalists today after his meeting with British Foreign Secretary Douglas Hurd.

The minister said that during the forthcoming meeting of heads of CIS states in Moscow, the Russian and Armenian presidents were due to sign a treaty on setting up two Russian military bases on Armenian territory. Grachev said that according to the Treaty on Collective Security Armenia is situated inside the unified strategic area of the CIS. The plan is to transfer a Russian squadron of air- defense fighters there.

The whole issue of Russian military bases in the Trans-Caucasus has not yet been finally settled. The Georgian side is linking it with the situation in Abkhazia and South Ossetia. Grachev voiced the view that it was inexpedient for the Russian peacekeeping battalion to remain any longer in South Ossetia since the issues of a political settlement remain virtually unresolved there.

Regarding the presence of Russian peacekeeping forces in Tajikistan, Grachev said that he intends to propose that Russian parliamentarians consent to leaving up to 5,000 men there as peacekeeping forces within the 201st Motor Rifle Division.

The defense minister praised the activity of the Russian peacekeepers in Abkhazia saying that they had fulfilled their mission completely but that the army had no desire to carry out police tasks. Grachev believes that from the political point of view the presence of servicemen from other CIS states was necessary in Abkhazia. He said that this matter would be broached at the forthcoming meeting of heads of CIS states in Moscow.

The minister also said that the 14th Army should be withdrawn from Moldova within the course of three years.

14th Army Pullout Accord To Be Signed 21 Oct

LD1910174594 Moscow ITAR-TASS in English 1452 GMT 19 Oct 94

[By ITAR-TASS news analyst Andrey Palariya]

[FBIS Transcribed Text] Moscow October 19 TASS—An accord, reached during the tenth round of Russo-Moldavian talks in August this year, on a withdrawal of the 14th Russian Army from the Dniester region is expected to be signed during the forthcoming Commonwealth of Independent States (CIS) summit, which is due to be held on October 21.

The provisions of the agreement were finally specified in Kishinev [Chisinau] on October 12 during Russo-Moldavian talks on a Russian troop pullout from the Dniester region and, according to Moldavian Deputy Foreign Minister Nicolae Osmokescu, are completely prepared for signature.

The difficult dialogue on the status of and a time-frame for the withdrawal of the Russian peacekeeping force continued for two years. Prior to the tenth round, the Moldavian side suggested that the troops be withdrawn by July 1, 1994, whereas 18 months later the Russian delegation insisted on a three-year withdrawal period.

Tiraspol adhered to a different point of view. Dniester leaders argued that "the Russian Army should not be withdrawn before the Dniester conflict is settled". However, the intransigent position of the Dniester leadership, it seems, has softened.

During a meeting between Vladimir Kitayev, leader of the Russian delegation at the talks on a withdrawal of the 14th Army, and Dniester Parliament Chief Grigoriy Maracuta in Tiraspol on October 11, the two sides

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expressed mutual opinion that practical steps to withdraw troops from the region would be synchronised with a political settlement of the Dniester conflict and the granting of a special status to left-bank Moldavia [Moldova].

At the same time, Lieutenant-General Aleksandr Lebed, commander of the 14th Army, has again stated that his principled attitude to an agreement on the withdrawal of Russian troops has not changed.

"however, after I familiarised myself with the document in detail, I have a weak glimmer of hope that the signing of this agreement would compel politicians to expedite the talks on a settlement of the Dniester problem, the talks at which little has been done so far," Lebed told ITAR-TASS.

It is quite possible to understand the attitude of the general, not without an active participation of whom an end was put to bloodshed in the Dniester region in 1992 and fragile peace was established.

On the other hand, and this remains a fact, Russian troops have been present at the Dniester banks for more than 200 years. The first mention of that dates back to 1792 when Aleksandr Suvorov seized the fertile lands from the Turks and established a town of Tiraspol near Bendery fortress (which is nowadays referred to as Tiguina by Moldavians).

Since then Russian troops have been present in left-bank Moldavia permanently and, in the opinion of local residents, have been and remain the guarantor of peace and tranquility in the region.

The Russian and, subsequently, Soviet Army did not leave Tiraspol even when the right-bank territory of modern Moldavia (Bessarabia) became part of neighbouring Romania from 1918 to 1940. After the Second World War, main units of the 14th Army of the Odessa Military District were stationed in Tiraspol, with the Army's command based in Kishinev.

In the military doctrine of the former Soviet Union, the well- provided and trained 14th Army was intended to repulse an aggression by a potential enemy in the southwestern theatre of operations (the Balkans and the Italian peninsula).

Subsequently, after the headquarters of the southwestern sector was accommodated in Kishinev in 1984, the command of the 14th Army was transferred from the Moldavian capital to Tiraspol.

Following the break-up of the Soviet Union, the units of the 14th Army stationed on the right bank of the Dniester were transferred to the jurisdiction of Kishinev under an arrangement with the Moldavian leadership. A similar move was probably in store for the units stationed on the left bank. However, by that time the Moldavian leadership was no longer in control of the situation in left-bank areas.

The local authorities proclaimed a "Dniester Moldavian republic", which, like a Gagauz republic in southern Moldavia, became a kind of counterbalance to the rigid nationalist policy being pursued by the popular front in Kishinev at that time towards rapprochement with neighbouring Romania. President Yeltsin's decree on the transfer of the 14th Army units in left-bank Moldavia to Russia's jurisdiction was the consequence of that situation.

When the Moldavian leadership tried to resolve its contradictions with Tiraspol by force, Russian troops found themselves in a rather difficult position - they were ordered from Moscow to refrain from intervening in the hostilities and maintain neutrality.

Of course, the army servicemen, a considerable proportion of whom were indigenous residents of the Dniester region, could not remain indifferent to the fact that their families, houses and belongings turned out to be in flames. Some of servicemen, who were transferred to the reserve, joined the Dniester Armed Forces as volunteers.

On the whole, the 14th Army, in the opinion of General Stefan Kitak, military adviser to the Dniester president, did not take part in hostilities directly. However, as the conflict escalated, the Army's neutrality developed into an "armed" one.

At the height of the Bendery tragedy in June 1992, new Army Commander Lebed arrived in Tiraspol. Without much diplomacy he made it clear to the conflicting sides that he would not be shy to use the force of arms to end the bloodshed. His unambiguous position dampened the hotheads and in many respects made it possible to enforce a ceasefire accord.

Peacekeeping forces of Russia, Moldavia, and the Dniester region were brought into the confrontation zone. This virtually enabled Kishinev and Tiraspol to begin talks on a political settlement of the conflict under the auspices of Russia and the Conference on Security and Cooperation in Europe (CSCE).

The dialogue was accompanied with prolonged talks on a withdrawal of the 14th Army which the Moldavian leadership regarded as one of the main factors of Tiraspol's unwillingness to make compromises.

The issue concerning a withdrawal of the 14th Army from the Dniester region is expected to be fully settled by the Russian and Moldavian premiers on October 21. But the issue related to a settlement of the Dniester region, according to statements by Lebed and Tiraspol leaders, remains open so far.

A solution to the issue to a certain extent may be promoted by another document which is also planned to be signed during the CIS summit - a protocol on introducing changes to the Treaty of Friendship and Cooperation between Russia and Moldavia. The treaty was signed in 1990 and has become outdated by now.

After the document is signed by Presidents Boris Yeltsin and Mircea Snegur, it will be subject to go through the ratification procedure in the State Duma and, as analysts point out, will give a qualitatively new impulse to bilateral relations.

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Political Issues

Chernomyrdin May Announce Cabinet Reshuffle

LD1910165294 Moscow ITAR-TASS in English 1549 GMT 19 Oct 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[FBIS Transcribed Text] Moscow October 19 TASS—Russian Prime Minister Viktor Chernomyrdin may soon announce changes in the cabinet, informed sources in the Russian government told ITAR-TASS on Wednesday.

Many politicians believe that the need for such changes has been prompted by the failure of some government structures to take urgent measures to save the rouble when it collapsed on the Moscow inter- bank currency exchange last Tuesday.

Vice-Premier Sergey Shakhray said at a news conference on October 18 that the official commission investigating into the causes of the rouble's collapse "continues to examine very seriously the activity of some structures" which are believed to be responsible for the dramatic fall of the rouble's exchange value.

Shakhray pointed out that "any executive officer involved in the rouble's collapse must be punished." He did not rule out the possibility of instituting criminal proceedings against some of them.

Russian President Boris Yeltsin said at an emergency Security Council meeting last Wednesday that the rouble's fall threatened Russia's national security and set up a special commission to look into the incident and find those responsible.

The "Black Tuesday" seems to have cut the ground from under the government's feet and put it in a very precarious situation. Indeed, its long and painstaking efforts to bring inflation down to four per cent a month were reversed in a matter of several hours that sent prices skyrocketing in Russia. State Duma deputy Boris Fedorov estimates the damage at one trillion roubles.

There is yet another explanation of the rouble fall. Some observers believe that it benefited large Russian exporters, while the government could use the opportunity to patch up holes in the budget and pay off part of its domestic debt.

The commission is expected to report to the president within ten days. Many fear it will lead to new victims who will share the fate of acting finance minister Sergey Dubinin sacked by Yeltsin and Central Bank chairman Viktor Gerashchenko forced into resignation.

The opposition, too, demands a new reshuffle in the government. Speaking at a news conference on October 4, the president did not rule out the possibility of bringing some of its representatives into a new government.

By so doing the president hopes to snatch the initiative from the critics of his government and Prime Minister Viktor Chernomyrdin. Among possible candidates to the office of prime minister, many name Sergey Glazyev, chairman of the State Duma Committee for Economic Policy.

Communist Party leader Gennadiy Zyuganov said he would recommend the president to consider Yegor Stroyev, Mikhail Lapshin and Yuriy Skokov as potential cabinet members.

At the same time, Zyuganov stressed that his party does not intend to work in the present government.

There are strong lobby groups in the government. Former acting finance minister Sergey Dubinin had repeatedly pointed out this fact. It was the agricultural lobby that pressured Vice-Prime Minister Aleksandr Zaveryukha into getting multi-billion subsidies for agriculture.

In the last few months huge funds have been contributed to finance the social and economic development of the far north, the domain of Vice-Prime Ministers Sergey Shakhray and Yuriy Yarov. Analysts believe that these expenditures led to the destabilisation of the rouble.

The government's image suffered a new blow when experts prepared, with active participation of Vice-Prime Minister Aleksandr Shokhin and Labour Minister Gennadiy Melikyan, a decree freezing wages and salaries. Luckily, the decree was not published.

The scandal involving the pyramid company MMM caused by the lack of laws regulating the securities market has undermined people's confidence in the rouble. Observers tend to put the blame on the government, which, they argue, sanctioned repressions against MMM.

All this has stalked the fragile process of stabilisation in society started by the treaty of civic accord. A conciliatory commission led by Sergey Filatov, head of the Russian president's administration, has failed to dissuade the Federation of Independent Trade Unions from holding an all-Russia demonstration on October 27 to protest against declining living standards in the country.

To keep the situation under control, the government will have to make a preemptive move as soon as possible. Rumors about Chernomyrdin's possible resignation have caused certain concern in society and need to be urgently dispelled. Moreover, the government should explain what is going on and pursue a more open policy, as the president has repeatedly pointed out.

Ironically, but the Security Council chaired by Yeltsin himself decided to keep the whole matter to itself and not reveal any information to the press.

Many believe that this information vacuum which causes all kinds of rumours and instability is as dangerous for Russia's national security and the rouble's fall.

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Yeltsin Quashes Rumors About Staff Resignations

LD1910185994 Moscow NTV in Russian 1600 GMT 19 Oct 94

[Statement by President Boris Yeltsin to journalists in the Kremlin on 19 October—recorded]

[FBIS Translated Text] [Announcer Tatyana Mitkova] In the Kremlin today, the president took part in the ceremony of the presentation of ambassadorial credentials. However, the ceremony diverted from the protocol. At the beginning, Boris Yeltsin addressed journalists present in Catherine's Hall.

[Begin Yeltsin recording] Oleg Soskovets is acting in an official capacity. We are not hiding the fact that Viktor Chernomyrdin is on vacation. When the chairman is on holiday, one appoints his first deputy acting chairman. It is a totally natural phenomenon. Some have concluded from this that if Soskovets is taking part in all functions, in protocol functions and others, meeting the Queen—it means that Chernomyrdin will resign, as it were. I tell you with all responsibility that there are absolutely no grounds for this—either on Chernomyrdin's part or on ours, or on the part of the Duma.

Also Kozyrev. Kozyrev, that is. Kozyrev is on a major, responsible, and very hard business trip—Iraq, Kuwait, Emirates, that is. The Security Council in New York and so on. We must make a colossal political and diplomatic, so to say, powerful, so to say, breakthrough so that we can knock down the Americans regarding, again, the bombing, so to say, or some kind of aggressive actions regarding, so to say, Iraq. We are for a peaceful settlement, for a political and diplomatic solution to these problems. So we want, you see, accordingly, and [pauses]...The Americans of course had prepared the resolution, but it was changed substantially, taking into account our position, and our diplomatic activity in this direction was, so to say, noted.

That is why if someone is placed in a position of acting foreign minister, someone has to look after the house!

Now there is no chairman of the Central Bank, but one cannot leave the Central Bank without a master for an hour or for a day. That is why the president has appointed a deputy of the former chairman—Paramonova Tatyana Vladimirovna, as acting chairperson of the Central Bank. An experienced person, very energetic, headstrong, knows the business, can manage lads. [end recording]

[Mitkova] Then the ceremony of the presentation of the credentials took place.

Chernomyrdin Denies Rumors, Views Economy

MM1910173594 Moscow KOMSOMOLSKAYA PRAVDA in Russian 20 Oct 94 p 1

[Interview with Russian Premier Viktor Chernomyrdin by correspondent Gennadiy Bochkarev in Sochi on 19 October: "Viktor Chernomyrdin: "Rumors of My Political Death Are Greatly Exaggerated"]

[FBIS Translated Text] Sochi, 19 October—[Bochkarev] Viktor Stepanovich, there has been a report of your resignation. You have denied this report. Nonetheless, in your opinion, who stands to gain, let us say, from it?

[Chernomyrdin] Someone needs it. These are the people who have one aim—shattering the fermenting society. And then they are always busy. I knew when I left on vacation that something had to happen. It was already a "tradition."

[Bochkarev] There are many opinions as to why the ruble collapsed. Why do you think the collapse happened?

[Chernomyrdin] I can say immediately that it pains me to hear that the collapse occurred because the government issued credits. Where did the money go? To the North. But how could we not issue credits to the North? Then we had to carry out the harvesting campaign. How could I not give that money? Then we would have had to buy bread... Nonetheless, why did the ruble collapse? I cannot take away responsibility from the government, from the Central Bank, or from other departments, particularly those responsible for this work. Why is money accumulated in Moscow and in the big cities but not reaching local areas and not "working" there? That is an imperfection of legislation. And I do not conceal the fact. But the collapse might not have happened. They took advantage of the situation, they found a loophole. Take the exchange system. It was set up back in 1992. They order any sum and settle accounts "with no formalities." Yet the ruble exchange rate is already set in the budget! People who knew and calculated the situation played on this. They knew that there was bound to be a surge in prices and people would suffer. In order later to fish in murky waters.

[Bochkarev] At a recent press conference the Russian president spoke of the "toughening up" of reforms. What is meant by that?

[Chernomyrdin] The government is elaborating an entire concept. Indeed, further actions are needed. And many people were frightened by the fact that we had produced a new concept. Almost all the government presidium members were in Sochi. We drew a line and began to draft documents. That was what they were afraid of. So that the fall of the ruble is a link in a single chain.

[Bochkarev] People are now saying that the tax reform will devalue the population's incomes, that even citizens' savings will be stolen...

[Chernomyrdin] That is stupid. On the contrary, we are reducing the number of taxes. Of course, we are not spreading taxes all over the place but we are not changing the rules of the game during the game itself. We must ease the tax burden and taxes should encourage production. That is the aim of the tax reform.

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[Bochkarev] Viktor Stepanovich, do you believe it is possible to create a coalition government?

[Chernomyrdin] I have said before and I can repeat now that we already have a coalition government. We have five parties and movement represented and we may take on another three. The most important thing is that the government should consist of professionals and only professionsals. There is thankless work here, knowledge and experience are needed.

The main thing is that everyone should work on what the government should work on: on working out systems of management and on the structure of transformations. If such people appear we are prepared to examine any candidates.

[Bochkarev] What are the most urgent problems that you will resolve immediately after your vaction?

[Chernomyrdin] Above all the budget. This year we adopted the budget for the current year only in June. Today it was already ready by 1 October—for next year. That is a gigantic amount of work. We are already submitting and starting to examine the 1995 budget. It will include a new concept for the implementation of economic reform. The new concept means that very new approaches have been used.

[Bochkarev] Have you been working on the budget while on vacation?

[Chernomyrdin] What do you think—that I was sunbathing?

Comments on Resignation Rumors

LD1910193694 Moscow Ostankino Television First Channel Network in Russian 1800 GMT 19 Oct 94

[Interview with Russian Prime Minister Viktor Chernomyrdin by unidentified correspondent at Vnukovo airport on 19 October; from the "Novosti" newscast—recorded]

[FBIS Translated Excerpt] [Announcer] We have just received a report from our special correspondent in Vnukovo airport. [passage omitted]

[Correspondent] Viktor Stepanovich, after the president's words today saying that talk of your resignation was a bluff, who needed it, and generally, why did it all start?

[Chernomyrdin] I think the reason for it is quite clear—what they did with the ruble, what they have now done with these rumors—these things are all linked. Someone does not like the fact that things have begun to become more or less organized, and has to stir everything up.

[Correspondent] Your failure to appear when the British queen was here, according to Western and of course British protocol, naturally aroused a sort of unhealthy curiosity. What happened, and why were you not here?

[Chernomyrdin] First, we are preparing to adopt, to submit the 1995 budget, and tomorrow we have a government session, essentially the first one where it will be discussed, although we prepared thoroughly and you know that I invited them to Sochi, we discussed it there. But generally the situation was such that we had to work. So as far as the meeting was concerned, I do not think that the British queen was offended by this. She has been given, and continues to enjoy, such a good reception.

Further on Chernomyrdin Remarks

LD1910203094 Moscow ITAR-TASS in English 2013 GMT 19 Oct 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Transcribed Text] Moscow October 19 TASS—The blame for last week's crash of the rouble rate, the spread of rumours about an alleged resignation of the Russian premier and the assassination of journalist Dmitriy Kholodov "rests with those who are interested in destabilising the situation in Russia", Prime Minister Viktor Chernomyrdin told journalists at Vnukovo-2 airport on Wednesday night upon returning to Moscow from Sochi.

"I am confident that the commission, which has been set up by the president to inquire into the plummeting of the national currency, will soon name concrete culprits. However, already now it is clear to many that it is primarily those who dislike the sprouts of stabilisation that are to blame," Chernomyrdin remarked.

"I did not write an application for the premiership and I think I will quit the post not on the strength of my own petition, the premier said in comment rumours about his alleged resignation petition.

Chernomyrdin specially pointed out that as premier he has big plans for the future. "To begin with, as the head of cabinet I am concerned, just as government ministers, over next year's budget which we are to defend before lawmakers, and other documents related to the socio-economic development of russia over the past year and in prospect. Next year's budget is for the first time presented in advance—in October," the premier remarked.

In response to a question from an ITAR-TASS correspondent about a possible cabinet reshuffle, Chernomyrdin said that he stated previously that the government is open to representatives of all factions in parliament, the more so as there are vacancies in the cabinet. "We await proposals from political parties but they did not give concrete names so far," the premier said.

Over the past week there were no changes in the approach to a possible cabinet reshuffle, Chernomyrdin said.

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As far as the resignation of Central Bank chief Viktor Gerashchenko is concerned, the issue has been finally decided upon by the president and Gerashchenko himself who tendered an appropriate petition to the head of state, the premier said.

A major matter for the government now is to ease social tension. As is known, government commissions are at work. Together with representatives of trade unions they tackle matters concerning the payment of wages and salaries, defaults of payments and other acute economic problems, Chernomyrdin said.

Priority should be given to the wages-and-salaries issue, the premier emphasised. However, Chernomyrdin pointed out that the arrears of wages to the budget-supported sectors will not be fully repaid this year and will be partially carried over to next year.

In answer to a question concerning the murder of journalist Dmitriy Kholodov of the newspaper MOSKOVSKIY KOMSOMOLETS, Chernomyrdin expressed confidence that assassins would be found and that the government "if necessary will set up its commissions to inquire into accusations which the murdered journalist brought at one time."

The head of government expressed deep-felt condolences to the family, next of kin and colleagues of the killed journalist.

Chernomyrdin was met at the airport by First Vice-Premier Oleg Soskovets, Vice-Premiers Aleksandr Shokhin and Aleksandr Zaveryukha, and Moscow mayor Yuriy Luzhkov.

Denies Plan to Resign

LD2010090494 Moscow ITAR-TASS World Service in Russian 0747 GMT 20 Oct 94

[By ITAR-TASS correspondent]

[FBIS Translated Text] Moscow, 20 Oct (ITAR-TASS)—Viktor Chernomyrdin today again refuted rumors of his planned resignation on health grounds.

In an interview with an ITAR-TASS correspondent he stressed that he has "no reason to complain about his health."

"The timing of my leave was agreed beforehand," he remarked. "I had to interrupt it once after the sharp jump of the ruble but after arriving in Moscow and holding a number of working meetings I was satisfied that the situation was under control, and the president allowed me to continue my vacation. As to my 'political health' it seems that the president gave a sufficiently convincing answer by describing rumors about my alleged resignation as 'a canard'."

Answering a question about whether it is true that the ruble crash on 11 October was a result of the Cabinet's plan to repair 'the holes' in the budget by way of selling currency reserves at higher dollar prices, Viktor Chernomyrdin said: "The government is not going to squander its currency reserves even to repair holes in the budget. I must add that sharp fluctuations of the ruble rate do not reflect the real state of the Russian economy. But the domestic convertibility of the ruble is far from fully based on Russia's true economic potential."

The dynamics of the rate, he went on, "is for the time being too dependent on the activities of people who play the market, often unscrupulous people. In such conditions the Russian Finance Ministry and the Central Bank underestimated the need for the state's tough control over the situation in such a fragile, for the time being, sector of an emerging market economy as currency exchange."

"Also, I do not rule out the fact that since the ruble crash occurred shortly before a scheduled vote of confidence in the government in the State Duma, this pursued certain political goals, too," the prime minister said.

Evidently Viktor Chernomyrdin is not too concerned that the State Duma could express no confidence in the government. "I believe," he told an ITAR-TASS correspondent, "that under the present circumstances the government has done and is doing its utmost to stabilize the economic situation. If deputies believe otherwise the constitution grants the president the right to decide. However, to be quite frank, I don't think you will find many people at the moment who would like to take my place."

The head of the cabinet does not rule out the possibility of reshuffles in the government. However, he stressed that if they do happen they "will be carried out on a professional rather than party basis."

"In order to extricate the country from crisis, what we need now are not loud mouths or political demagogues but hardworking specialists who are willing to take on the heavy burden of responsibility for bringing Russia out of the period of upheavals," Viktor Chernomyrdin said.

Asked why he did not come to Moscow to meet the British queen, the head of government explained that the dates of his leave were agreed beforehand. "Right from the start it was not planned for me to be in Moscow on the day her majesty was to arrive. And you know it was really more of a working holiday than a rest. I think everyone realizes how important it is to prepare the government's account to the State Duma and to complete work on the 1995 budget," he explained.

"Generally, the word vacation is a very relative concept for the head of government," Viktor Chernomyrdin observed. "In fact, it simply means a different work schedule when one can get away slightly from the mass of daily routine work and concentrate on the main thing, on the future, on strategy. You will be able to judge the results after the draft budget for 1995 and when several

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planned decisions on taxation have been discussed at the government sitting. Incidentally, this will also answer the question of what the prime minister and ministers did in Sochi on 9 October 1994."

ITAR-TASS Apologizes Over Chernomyrdin Story

LD1910222494 Moscow INTERFAX in English 2054 GMT 19 Oct 94

[FBIS Transcribed Text] The heads of the ITAR-TASS news agency officially apologized to INTERFAX for untrue information.

An ITAR-TASS correspondent said INTERFAX had given out information alleging the resignation of Prime Minister Viktor Chernomyrdin.

ITAR-TASS agreed that INTERFAX had not reported such information but, on the contrary, was one of the first news agencies who had given a precise assessment of the situation around the government and its prime minister on October 18. INTERFAX said then that Chernomyrdin had not applied for resignation and was not going to do so.

Yeltsin Blames Gerashchenko for Ruble Crisis

LD1910212794 Moscow INTERFAX in English 1918 GMT 19 Oct 94

[FBIS Transcribed Text] The Central Bank of Russia and Viktor Gerashchenko, its chairman, seem to be responsible for the free fall of the ruble last week. Russian President Boris Yeltsin told leading editors-in-chief that the state commission of inquiry had not made its final conclusion and had been given 10 more days to do so.

Yeltsin emphasized that the big question was whether there had been a conspiracy. He said that the bankers viewed last week's events as an usual game but in civilized countries such as the U.S.A. such events are regarded as a conspiracy.

Yeltsin said that Gerashchenko and Dubinin might expect more trouble if the commission finds them guilty.

He explained that the Central Bank had applied for one amount but purchased another on the day when the ruble fell.

Yeltsin continued: "When we sorted out the incident, numerous faults were found in the Central Bank and in the running of the currency exchange. We had enough gold to prevent the fall of the ruble but the Central Bank did not intervene." He emphasized that the exchange had warned Gerashchenko that the ruble had been endangered.

Yeltsin said that Gerashchenko had a right to stop the trading but did not do so and it would be good to know why.

Gerashchenko did not want to quit and insisted that the Duma should vote on his dismissal. Yeltsin told the editors. He summoned Gerashchenko to tell him that he had been appointed by a presidential decree before the election of the Duma and adoption of a new Constitution and so it was up to the president to dismiss him. Yeltsin told him that the decree would mention the reasons for the dismissal. Following that, Yeltsin said, Gerashchenko agreed to tend his resignation.

Yeltsin Attacks Media's Attitude Toward Him

LD1910183094 Moscow NTV in Russian 1600 GMT 19 Oct 9r

[FBIS Translated Text] President Boris Yeltsin met heads of leading mass media today. The meeting took place in a mansion on the outskirts of Moscow, which has been known since the SCSE [State Committee for the State of Emergency] times as the Installation ABC. Boris Yeltsin himself set the tone of the meeting in his introductory address. Ostensibly, he did not say a word about the terrorist act in the MOSKOVSKIY KOMSOMOLETS newspaper. Here are some of his statements on the relations between the press and authorities.

[Begin Yeltsin recording, shown in a large room, speaking very slowly] Of course, the mass media are adapting somewhat to the market conditions. One can see it. Somewhat, however, being the operative word. You have not managed, or rather you and us have not yet managed to fully adapt to the market conditions.

So, where should we go further with the mass media? How should you and us, or how should you organize your work? Following the example of the West? Following our traditional example? Following some kind of a new Russian example? Of course, it is very difficult to say anything here.

What I would like to point out is the attitude to the president. The president is the embodiment of power, the guarantor and protector of the Constitution—and that is why we sometimes cannot find mutuality with some newspapers or television channels. That is, we have grudges against one another and we express....[pauses] You express them openly, although I do not openly express this. [end recording]

Accuses News Program of 'Distortions'

LD1910192594 Moscow Russian Television Network in Russian 1700 GMT 19 Oct 94

[From the "Vesti" newscast; passages within quotation marks recorded]

[FBIS Translated Text] [Announcer] The Russian president has today met editors in chief of the Russian media.

[Correspondent Ye. Fedorov] The president has opened this meeting with an address in which he analyzed the relationship between the state power and the so-called "fourth power"—the journalists. Boris Yeltsin thanked all media representatives present for courage in reporting the events of last October and stressed that the

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struggle for democracy is still being conducted under very difficult conditions. At the same time, the president noted that he and the media do not always see eye-to-eye.

[Yeltsin] "I have a bone to pick with you. Actually, not with all of you but with a number of newspapers and television, especially the second program, and especially the "Vesti" program, and so on. I have a lot of complaints about them, simply about distortions. I already spoke to you a year ago, saying that you can publish everything, but for God's sake, just do not invent things, do not distort the facts, just do not—sorry for the rude word—lie."

[Fedorov] The Russian president stressed that he does not intend to take freedom of speech away from the press or put pressure on anyone. But, at the same time...

[Yeltsin] "Some people believe that the more they criticize the president, the better their paper will sell. You are wrong. You are wrong, wrong."

[Fedorov] The president especially strongly complained about "Vesti" for their coverage of his recent visits to the United States and Britain.

[Yeltsin] "Let us take the visit—the most difficult visit, I should honestly say, psychologically, even physically, intellectually—a difficult visit. How was it covered? If you are doing a television program you should go [word indistinct] with the analysis as to who, how.... But the second one [Russian Television program] is saying 'here is what Uncle Vanya said, or Auntie Masha,' and so on. The newspapers too, out there with their criticism. This is while we were making the most impressive breakthrough!"

[Announcer] Regarding the president's words about Uncle Vanya and Auntie Masha we should probably point to the fact that the Russian Television program was also putting on air live broadcasts of the UN General Assembly speech and the ceremony of signing the Russian-American documents.

Yeltsin: Kozyrev on 'Most Important Trip'

LD1910120594 Moscow ITAR-TASS World Service in Russian 1112 GMT 19 Oct 94

[By ITAR-TASS diplomatic correspondent Yuriy Tyssovskiy]

[FBIS Translated Excerpt] Moscow, 19 Oct—[passage omitted] This ITAR-TASS correspondent has learned from staff of the president's press service that an investigation will be conducted into the sources of unverified information. The radio station Ekho Moskvy broadcast a report about Chernomyrdin's resignation referring to the INTERFAX agency, but the agency's representatives deny that they passed on material of any kind.

Touching on speculation in the press about Russian Foreign Minister Andrey Kozyrev's absence from Moscow during the visit of the British queen, the president said: "Kozyrev is on a most important official trip. As you know, he visited Baghdad, Kuwait, and the Saudi city of Jeddah, where he held important negotiations on unblocking the crisis in the Persian Gulf. Then he spoke at a sitting of the UN Security Council and met with U.S. Secretary of State Warren Christopher. A major diplomatic spurt was made which helped to knock the Americans from an aggressive stance and to avert a possible outbreak of hostilities. Thanks to Russian diplomacy some of the wording of UN Security Council Resolution 949 was significantly changed and its clauses brought into line with our wishes." [passage omitted]

Grachev Statement on Journalist's Slaying

MM1910114394 Moscow KRASNAYA ZVEZDA in Russian 19 Oct 94 p 1

[Unattributed report: "Russian Defense Minister's Statement"]

[FBIS Translated Text] A tragedy occurred 17 October 1994 at the MOSKOVSKIY KOMSOMOLETS editorial office building. Journalist Dmitriy Kholodov died and an editorial office staffer was injured as a result of a serious explosion. The Russian Defense Ministry expresses its condolences to the relatives and friends of the dead man and to the MOSKOVSKIY KOMSOMOLETS editorial office.

There is no doubt that the reason for the explosion will be carefully investigated. Society must know the truth about all the facts connected with the journalist's death.

At the same time the following fact elicits concern. As you know, Dmitriy Kholodov was paying a great deal of attention to military matters, conducting among other things a journalist's investigation into questions of alleged corruption within the Western Group of Forces. On this basis in their articles some journalists and mass media are almost directly associating the journalist's death with this fact and are hurling accusations at concrete Defense Ministry officials.

We regard these charges as unfounded and see this as a blasphemous attempt by certain political forces to use the tragedy and the tremendous human grief to whip up another wave of anti-Army hysteria.

GRU Denies Involvement

LD1910213094 Moscow Russian Television Network in Russian 2000 GMT 19 Oct 94

[From the "Vesti" newscast]

[FBIS Translated Text] No television camera has ever been allowed to film inside this building—home of the Main Intelligence Directorate [GRU] of the Russian General Staff, called the Aquarium—until today. But today, it seems, there was a special case. The head of the

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GRU, Colonel-General Ladygin has tonight invited journalists in order to make a statement in relation to today's article in MOSKOVSKIY KOMSOMOLETS which offered various versions of Dmitriy Kholodov's death. One of the versions implicates the Spetsnaz 16th brigade which, according to the article, was training mercenaries on commercial basis. The Spetsnaz is subordinate to GRU and the head of the military intelligence was mentioned by the paper as one of those who might know Kholodov's killers. Gen. Ladygin has first of all expressed condolences to the relatives of the deceased and denied all allegations of his department's involvement with the journalist's death. The head of the GRU also intends to sue Pavel Gusev, the author of the article.

[Begin Ladygin recording] I regret that such publications only distract our forces. I can only say to you that thousands of our men are working in the interests of our fatherland. And you can only be proud of them. [end recording]

The general said that military intelligence is only acting against external threats. The Spetsnaz is not used in peacetime, except perhaps Tajikistan, where they helped in evacuating the Russian population. According to Ladygin, Kholodov always wrote good things about the GRU and Spetsnaz men, and earned the respect of the intelligence agents. The Main Intelligence Directorate will not be involved in the investigation of the circumstances of Kholodov's death and charges of corruption in the Western Group of Troops because such cases lie outside the military intelligence's sphere of competence.

Yeltsin Said Indignant

LD1910194294 Moscow ITAR-TASS in English 1906 GMT 19 Oct 94

[FBIS Transcribed Text] Moscow October 19 TASS—President Boris Yeltsin expressed indignation at the "political terrorist act" in the editorial office of the newspaper MOSKOVSKIY KOMSOMOLETS, where Dmitriy Kholodov, 27, a correspondent of the newspaper, was mutilated in a blast on Monday, October 17, Editor-in-Chief Pavel Gusev said in the television "Peak-Viewing Hour" programme on Wednesday night after being received by the Russian president earlier in the day.

Yeltsin confirmed that it was precisely on his initiative that it was decided to change attribution to a criminal code article under which criminal proceedings were instituted in connection with Kholodov's murder. Earlier, proceedings were instituted under an article which envisages punishment for "willful murder with aggravating circumstances", whereas now a charge of terrorism will be brought, Gusev said.

There are several versions as to who is responsible for this "political contract assassination", Gusev said. However, it is absolutely clear that the murder was the work of not only criminal groups. "Leaders of certain big criminal groups conveyed it to the newspaper on Tuesday that they had no bearing on the case," Gusev said.

MOSKOVSKIY KOMSOMLETS, the chief editor said, will carry on its own inquiry into the circumstances of the death of their colleague who engaged, in particular, in an investigation into cases of corruption in the Group of Russian Troops in Germany.

"Nothing will stop us any longer. We shall forge ahead like an armoured train," Gusev said, adding that the Thursday edition of the newspaper will carry an article about a criminal case against Russian Defence Minister Pavel Grachev, the case "which was pronounced closed for some reasons."

Government Raises Pay for Working With Secret Information

MK1910140094 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 19 Oct 94 p 2

[Unattributed report under the "Hold the Front Page!" rubric: "So That Western Intelligence Cannot Buy Them"]

[FBIS Translated Text] Monthly bonuses for persons using information constituting state secrets in their work have been introduced by a Russian Federation Government decision effective next year.

Under this decree, the size of bonus payments will vary with the degree of the information's secrecy. For example, work with materials marked "special importance" will earn 25 percent of one's monthly paycheck; those marked "top secret," 20 percent; and those marked "secret," 10 percent. The staffers of subdivisions concerned with the protection of state secrets will be paid yet another bonus—for the length of service in such subdivisions.

Primakov Reflects on Intelligence Role

MM1910112194 Moscow TRUD in Russian 15 Oct 94 p 6

[Preface to forthcoming book on Russian intelligence by Academician Yevgeniy Primakov, director of the Foreign Intelligence Service, "slightly abridged," under the rubric "Only in TRUD": "The Intelligence Service Serves Russia, Not the Politicans. What the Intelligence Service Has Been Doing Since the End of the Cold War"]

[FBIS Translated Text] The Mezhdunarodnyye Otnosheniya Publishing House is preparing for publication six volumes of "Sketches on the Histroy of Russian Foreign Intelligence" ["Ocherki Istorii Rossiyskoy vneshney Razvedki]. Academician Ye.M. Primakov, director of the Russian Foreign Intelligence Service [FIS], has written a preface to it. TRUD was authorized to be first to publish the text of this preface (slightly abridged)

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which, in our view, is of sifnificance in itself and is of undoubted interest to our readers.

The intelligence service is a necessary mechanism which resolves a whole series of very important state tasks. History has proved that. The present day is proving it too.

Is it possible to talk about a distinctive Russian intelligence service with characteristics typical of it alone? Of course there are a whole series of characteristics which distinguish an intelligence service regardless of its national allegiance: its methods and means of operation, a structure enabling it to obtain materials of a political, military, scientific-technical, and economic character, the use of the so-called human factor—in other words its agents and confidential links—and the use of characteristics of the **Russian** intelligence service. It may be (I hope that foreign readers will not criticize me for saying so) that they have more patriotism and selflessness than the rest, that (for both subjective and objective reasons) the work of its intelligence agents is less susceptible than the rest to the influence of the material factor, and that they show a greater tendency toward self- sacrifice for the sake of their people.

At every stage in history, under every system, and in all circumstances an intelligence service has protected the interests of the state. Is that not why the emphasis is being placed on the depoliticization of the intelligence service, a course which we have now consciously moved toward in the post-Soviet era? Of course this depoliticization is relative, because the state has always protected and continues to protect the interests not only of the whole nation but also of the ruling groups. The intelligence service has always been and remains a reflection of the state. As the reader will see, P.I. Rachkovskiy, a Russian intelligence agent at the turn of the century, served the interests not only of the fatherland but also the czar's police department by keeping the Russian political emigre movement under surveillance. Nor was the intelligence service insulated from the tragic repressions under Stalin. But it is important to note that because it was not a law enforcement agency it was less to blame than the rest for what happened and, through being very much connected with foreign countries, it absorbed the elite of the armed forces and suffered more than the rest from the bloody repressions. Tens, hundreds of intelligence agents were dismissed from their jobs, arrested, and shot.

The questions of depoliticizing and deidelolgizing the intelligence service are especially important and relevant nowadays. What form do they take? The intelligence service—and this must be said with the utmost firmness—is not involved in Russia's internal political life. Of course, each intelligence officer and employee not only can but is bound to harbor sympathies for this or that political or public force in the Russian Federation. The mankurt [zombie in Aytmatov novel], the robot, devoid of feelings, emotions, affections, and hostility to things he considers bad cannot be an intelligence agent. But nor can he be guided by his own political sympathies or antipathies in his daily work. In that work he has to think solely of the country's national interests—paradoxical as it may seem, that is what the depoliticization of the intelligence service means. At the same time, of course, the intelligence officer must be dedicated to democratic values and obey the law—that is extemely important for everyone without exception.

Now for a few words on repudiating the idelologization of the foreign intelligence service. This term did not exist at all before 1917. In the USSR's lifetime, however, the intelligence service, like any other state instrument, could not avoid being ideologized. The Cheka, the NKVD, and the KGB, including the foreign intelligence service, were a weapon of the party, and it was in that capacity that it conducted its activity under Marxist-Leninst slogans

The best sources and foreign aides were obtained by Soviet intelligence on ideological grounds. An deputy director of the USSR Academy of Sciences Institute of the World Economy and International Relations, I was a good and close friend of Donald MacLean, a senior scientific staffer there. He was one of the most intelligent and well educated men I have ever met in my life. D. MacLean used to work for Soviet Intelligence. As director of a British Foreign Office department he had prime information, sometimes of crucial value to Moscow, which he transmitted to us. As a descendant of seven Scottish lords, D. MacLean was not guided by material considerations. No matter how we view our ideological past today, it is the ideas of that past which brought MacLean and many like him into Soviet intelligence.

Many people predicted that the deideologization of the FIS in present conditions would prevent us from being able to enter into cooperation with foreign information sources. That has not proved to be the case. We are not talking now about the acquisition of foreign assistants. But many people's **political** interest in cooperation—no longer with Soviet inteligence but with Russian intelligence now—continues to operate. This is because of the dislike of a "unipolar" world, the fear of a possible unilateral reorganization of Europe's postwar borders, and the understanding of Russia's role as a factor of stability in Europe and the world as a whole.

The deideologization of the intelligence service has therefore certainly not eliminated or even undermined it as a major instrument of Russian policy.

Whether the intelligence service is necessary or not is a purely rhetorical question. No reasonably large state, let alone a great state, can or could ever do without one. Clearly it will cease to exist when the state ceases to exist, but such a prospect is purely hypothetical and has nothing to do with reality. Yet there have been two distinct periods in the history of the Russian intelligence service when people wither did not realize or doubted

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the need for its existence. Period one was the formation of the Russian state, and in that period the intelligence service had not yet been formed as an autonomous institution of state power but emerged and developed not only "within the walls" but also as a component of the edifice of diplomacy. We witnessed the second period for ourselves in the recent past, when the euphoria of the end of the Cold War was so mind-boggling that some people in Russia began preaching the abandonment of the intelligence service in the era of "civilized relations" toward which the world was moving.

In 1992 I was interviewed by a British journalist, who asked me whether I thought that Russia was ready to stop conducting intelligence work against Britain if Britain did the same toward Russia? In our close, interconnected, and interrelated world, of course, such a question cannot be resolved bilaterally. But what if all the countries jointly decided to abandon intelligence work? Well, then we could talk about it, but to be honest only irremediable daydreamers can believe in such a prospect.

The characteristics of the Russian intelligence service include continuity and a loyalty to the best traditions of the specialist agencies which preceded it. We have never repudiated nor will we ever repudiate all the good, useful, and important work done for the state, society, and the people over many decades and centuries in Russia by the precursors of the FIS including, of course, those in the Soviet Union. But the recognition of this continuity certainly does not mean that we have lost our critical attitude to our history.

What has the intelligence service been doing since the end of the Cold War, what tasks has it been resolving, and on whose altar have its officers been sacrificing their strength, their health, and sometimes their lives?

You may think that at the end of the 20th century Russia is experiencing one of the most difficult stages in its history. The economic crisis, the unregulated relations between the center and a part of the periphery, the threat of territorial disintegration or, at any event, the separation of individual parts of it, the resistance to the processes of reintegration on CIS territory, the political need to defend the positions of an independent great power in the international sphere, the fears that the Russian Federation is entering the world economy primarily as a raw materials producer at a time when other great powers have already set course and are successfully heading toward the development of science-intensive, high-technology production—all these are signs of difficult times. But even when things were at their most difficult there has not been a single mature politician who believed that Russia, with its vast human potential, great history, outstanding contribution to world civilization, incalculable natural resources, and great basis in fundamental science, could possibly get stuck in such a stage. It was, is, and will remain a great power. Throughout the history of the Russian state the intelligence service among the other major state mechanisms has helped the state to overcome difficult periods.

Furthermore, the process of emerging from the crisis situation of the nineties, which is a legacy both of the past and of the mistakes and omissions of the time when these lines are being written, has been happening in an international situation which is far from clear-cut. Yes, the eighties and early nineties saw the end of the chapter in international relations when two ideologically different forces stood on opposite sides of the barricades preparing to do battle. The division of the world into two systems ceased to exist, consequently the grounds for Russia to have **predetermined** permanent enemies also disappeared. But the world did not become less complex because of that. Our state's national interests, which were previously relegated to the background and were often sacrificed to the struggle against the permanent ideological enemies or to support for our permanent ideological allies, became of paramount importance and came to the forefront. This had at least two consequences: a sharp intensification of the search for areas where those interests coincide with the interests of other states and, if they did not coincide, the identification of ways to protect national interests by nonconfrontational, political means.

However, was that always possible? The complex character of the answer to that question is reinforced by the fact of the considerable expansion of the zone of regional conflicts after the disintegration of the USSR—a zone which spread to the territory of many national republics of the former Union.

The danger of conflicts' expanding has sharply increased because they have developed in conditions of the proliferation of mass destruction weapons and the growth of international terrorism. The long-running and extremely tense situation in Afghanistan has had the most negative impact on these conflicts—the Central Asian conflict zone has now reached as far as this country's borders—and clearly will continue to do so for a long time to come.

The destabilizing influence of Islamic extremism, that is, the violent forms of spreading a militant Islam whose goal is to introduce an Islamic state model, has extended not only to the Central Asian conflict zone but also to the Caucasus conflict zone and will obviously continue to spread for a long time to come. In the post-Cold War period there has been an intensification of interethnic contradictions as well.

Of course, the Russian foreign intelligence service at all stages of its development provided the country's top leadership with reliable and largely advance information as well as analytical assessments by its experts based on that information. The main area of its work here was and remains the monitoring of all those processes which could damage Russia's interests if things turned out badly for it. As our century draws to a close, the following threats may be named:

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—the activity of external forces trying to aggravate or simply exploit the weaknesses of Russia itself and its disagreements with other states which formerly belonged to the USSR; one of the priority tasks of the intelligence service in the mid-nineties is to neutralize the efforts aimed at halting the centripetal tendencies both within Russia itself and within the CIS;

—the prospect of the growth of the "nuclear club" and of a number of Third World countries' gaining access to various systems of mass destruction weapons, and the adoption of political decisions in some of them to begin moving toward the acquisition of nuclear weapons;

—the likelihood of countries previously involved in the Cold War gaining access to new, destabilizing weapons systems—intelligence must promptly notify the corresponding Russian state structures about the development and introduction of new types of arms and combat hardware in other countries.

One of the important tasks of the intelligence service here has been and remains to assist the pursuit of an active Russian foreign policy both in the Western and in the Eastern sectors (China, India, the Arab states, Asia and the Pacific, and so forth).

The most important task of the FIS in the past, the present, and the future is to help to increase Russia's defense potential and accelerate its socioeconomic development.

Economic Issues

Chernomyrdin Warns of Tough 1995 Budget

LD2010100994 Moscow ITAR-TASS World Service in Russian 0912 GMT 20 Oct 94

[By ITAR-TASS correspondent]

[FBIS Translated Text] Moscow, 20 Oct (ITAR-TASS)—Prime Minister Viktor Chernomyrdin said the 1995 draft budget is "tough", speaking at the start of a routine session of the Russian Government today. According to the prime minister, the draft budget being submitted by the cabinet "will be unexpected for a lot of people." "However, the Russian Government is a government of reform and we need to prove that in practice," Viktor Chernomyrdin said.

The prime minister directly linked discussion of the budget with the aftermath of "black Tuesday", the ruble collapse of 11 October, when there was "a six per cent rise in prices generally throughout the economy, and an increase of 12-14 percent in some of the regions."

Nevertheless, the prime minister sees "no cause for panic" and believes the government's duty is to peg inflation at 5-7 percent by the end of the year.

The prime minister stressed that "the pace of reforms set by financial policy are now lagging behind what the economy itself requires. A decisive breakthrough is needed." Viktor Chernomyrdin said that it is a case of the following: "Either the slump will end with a shift into creeping depression or economic mechanisms will be brought into play that ensure an improvement in overall economic trends in 1995 and the start of an upward curve in development in 1996-97."

"The key area of this progress is the significant reduction in the federal budget deficit and the suppression of inflation to a level ensuring an improvement in the investment climate, the revitalization of production, and the achievement of positive movement in the public's standard of living," the prime minister said.

He called on members of the government to move away in their discussions of the budget "from narrow departmental positions and to show statesmanlike wisdom," and also to submit proposals on increasing the revenue side of the budget and on ways of cutting spending.

Soskovets on Ways To Solve Payments Problem

MK1910141094 Moscow SEGODNYA in Russian 19 Oct 94 p 1

[Unattributed report: "Oleg Soskovets on Non-Payments Problem"]

[FBIS Translated Text] As long as the problem of nonpayments remains unresolved, no economic restructuring or an increase in investment activity are possible in Russia, First Deputy Prime Minister Oleg Soskovets said at a meeting of the conciliatory commission on the implementation of the Public Accord Pact. He said that as of 1 September enterprises' debts payable amounted to 126 trillion rubles and debts receivable stood at 104 trillion rubles. In Mr. Oleg Soskovets's words, in a move to resolve the problem of nonpayments, the government is drawing up a draft decree on involving commercial banks in the settlement of accounts with the CIS and Baltic states.

Garashchenko Resigned at Yeltsin's Personal Request

LD1910204494 Moscow ITAR-TASS in English 1937 GMT 19 Oct 94

[FBIS Transcribed Text] Moscow October 19 TASS—Former Russian Central Bank Chairman Viktor Gerashchenko said he resigned his office at President Boris Yeltsin's personal request in order "not to complicate the political situation."

In an exclusive interview with Russian television on Wednesday, Gerashchenko, who is currently in London, said that he does not take his resignation as a personal drama.

"Only a healthy economy can have a healthy currency," he said.

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Gerashchenko believes that the blame for the rouble's collapse last Tuesday should be laid not only on the specialists working in the Central Bank and other organisations, but also on those who "gambled against the (national) currency."

Regional Affairs

Dudayev's Forces Withdraw to Groznyy

LD2010085094 Moscow ITAR-TASS World Service in Russian 0801 GMT 20 Oct 94

[By ITAR-TASS correspondent Vadim Byrkin]

[FBIS Translated Text] Moscow, 20 Oct—After the bloody battles on 19 October at the village of Urus-Martan, Dzhokhar Dudayev's units have withdrawn to Groznyy, having suffered considerable losses in men and equipment. This was reported this morning to ITAR-TASS by Adnan Khattuyev, representative of Ruslan Khasbulatov's peacemaking group.

Over 30 civilians were killed as a result of artillery and automatic fire. Five men from Bislan Gantamirov's forces, which defended Urus-Martan, were killed.

No major combat operations were being conducted early this morning, but opposition forces completely destroyed a fortified post of the Dudayev forces in Ken-Yurt village in Nadterechnyy Rayon, an ITAR-TASS correspondent was informed at the Chechen Interim Council's Information Committee. According to its information, the Interim Council's armed forces are currently maneuvering in preparation for offensive operations.

Military Commander on Defeat

LD1910183994 Moscow ITAR-TASS in English 1743 GMT 19 Oct 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Transcribed Text] Groznyy 19 Oct (TASS)— The operation to neutralise anti-government armed forces in Urus-Martan district has been completed, Lieutenant-Colonel Alud Yusupov, military commandant of Chechnya, told ITAR-TASS.

Government forces routed a camp of Bislan Gantamirov's supporters and brought under their control the Urus-Martan district centre and Gehi and Shalazhi populated areas where oppositionists are being arrested, Yusupov said.

On the side of the government forces, the operation involved up to 500 fighters and 15 armoured vehicles, including six tanks. According to preliminary data, 20 supporters of Dudayev were killed and 29 wounded. There has been no information about casualties on the opposition side or among civilians.

According to unconfirmed data, Gantamirov's house in Gehi village was blown up. His fate and whereabouts are unknown. Neither is there any information as to how provisional council chief Umar Avturkhanov or peacekeeping group leader Ruslan Khasbulatov reacted to the developments.

A meeting of supporters of Dzhokhar Dudayev continues in downtown Groznyy. Participants in Wednesday's fighting are arriving there together with captured hardware.

Nazdratenko Denies Duma Deputies' Charges

MK1910115094 Moscow KOMMERSANT-DAILY in Russian 19 Oct 94 p 3

[Report by Denis Demkin, Dmitriy Kamyshev: "Maritime Kray Governor Election. Governor Maligned by 'Criminal Think Tanks'"]

[FBIS Translated Text] Even though elections for Maritime Kray governor have been canceled (KOMMERSANT-DAILY reported that 6 October) the scandal sparked by that has not ended, it turns out. Yesterday the local mass media published an open letter by Yevgeniy Nazdratenko, chief of the kray administration, to State Duma deputies and kray residents, in which the governor who has fallen from grace denies the charges of separatism and authoritarianism leveled against him.

The transformation of statesmen offended by their bosses into men of letters has become a routine phenomenon in Russia. This time, however, the Maritime Kray governor sent his letter, entitled "Who Needs Myths About the Maritime Kray Administration?," not to the president, whose edict was the immediate reason for canceling the elections, but to State Duma deputies who accused him of separatism, a penchant for authoritarianism, and corruption, and demanded that kray gubernatorial elections be canceled on these grounds.

Yevgeniy Nazdratenko consistently denies all these charges. In his words, he is not a separatist because he has never stood for Maritime Kray's secession from Russia. On the contrary, the governor has repeatedly warned Moscow that the policy it has been pursuing creates a threat of the region's being cut off from the single economic space. Moreover, Yevgeniy Nazdratenko simply has had no time to engage in separatism, because he is taking unremitting efforts to preserve the region's industrial potential and has achieved certain successes in this area. As for accusations of violating constitutional provisions, of which leaders of four democratic State Duma factions advised the president, the governor thinks that the democrats were "simply misinformed by think tanks of criminal circles" planning to launch "a campaign of lies and defamation" on the eve of the elections for governor.

Notably, until recently Yevgeniy Nazdratenko spoke about democratic leaders in a much more critical tone, likening Gaydar's and Fedorov's activity with fascism

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and calling their letter to the president "the best assessment of his activity." Given that his open letter could not do without overtures to the president, the prime minister, and chiefs of the key ministries and agencies, the actual aim of the Maritime Kray chief's message is once again to demonstrate his loyalty to Moscow, whose favor should be regained as soon as possible.

Far East Leaders View New Local Rules

MM1910161994 Moscow ROSSIYSKIY VESTI in russian 18 Oct 94 p 2

[Feature comprising articles by Aleksandr Zhdanovskiy, deputy chief of the Krasnodar Kray administration; Nikolay Volkov, chief of the Jewish Autonomous Oblast administration; and Aleksey Batagayev, chief of the Ust-Orda Buryat autonomous Okrug administration, under the general heading: "Regional Leaders Discuss Measures adopted by the President to Strengthen the Unified System of Executive Authority"]

[FBIS Translated Text]

[Zdanovskiy article] Governor Must Have Right To Initiate Legislation

Krasnodar—You can see why the Kray executive authority team took an interest in point two of the [presidential] edict, confirming the right of the head of state to appoint and dismiss governors. The president also makes the decision on scheduling elections for the chief of the administration of a federation component. That is, until federal legislation establishes a different procedure, the current normative base, whereby elections of leaders of executive authority in the regions can not be called without the president's agreement, remains in force. This is a very important and timely clarification for us, since for a long time some of our local politicians have been making much of the question of scheduling elections for the chief of the Kuban Kray administration.

Or take the following example. The opposition is constantly harping on, alleging that administration leaders, no doubt prompted by the head of state, are setting their sights on deputyships in order to be able to write laws to suit themselves. But the comrades were hasty and they blundered. The "General Regulations" section of the Statute on Local Heads of Executive Authority says: "The administration chief is obliged to resign if elected a deputy in a representative legislative organ of a component of the Federation or local self-government body." As we can see, this also is a clear statement of the constitutional norm of separation of powers at the kray and Oblast level.

But the heads of executive authority in the regions are not barred from local legislative work. Common sense suggests that governors cannot be excluded from the process of transforming the state system. In the kray duma the governor has the right to initiate legislation, and he signs and promulgates normative acts adopted by the local legislative organ.

In the edict and particularly in the statute you can also discern more rigorous regulation of the relationship between federal and regional executive authority. In this connection we are delighted that the documents signed by the president have once again confirmed that legal thinking in the kray has been moving in the right direction. As a result we have established the right constitutional background: The wording of the edict and of the statute coincide in many respects with what is written in the Krasnodar Kray state charter. I do not regard the fact that the general principles coincide as being to the infinite credit of the local elite. I see it as a manifestation of the objective nature of the processes involved in the formation of new organs of authority.

[Volkov article] Uncertain Status Diminishes Authority

Birobidzhan—When we consider the current socioeconomic situation in Russia we are all perfectly well aware that it simply cannot be changed for the better without a strong state authority. In this context the well-known presidential edict of 3 October and the Statute on Administration Heads should be seen as the first, but real enough step toward restoring a single vertical structure of authority in the country.

These documents enable us to get a clearer picture of our rights and duties and the extent of our responsibilities, to be honest, the former uncertainty over the very status of administration head, of governor, diminished his authority and had some adverse effect on the life of the federation components.

The edict and the statute crystallize the relationship between local administrations and federal organs of authority. Even in the old days we used to be treated extremely symphatically in Moscow, perhaps occasionally differing, but only in our assessments of the situation. B. Yeltsin's edict "On Measures to Strengthen the Unified System of Executive Authority in the Russian Federation" and the Statute on Administration Heads should provide real prerequisites for improving the life of the regions. One way is to place the emphasis on improving regional policy. Regional development levels are very different and specific. The Jewish autonomous Oblast, for example, has always been geared to agricultural production. The crisis in the agrarian sector here became a crisis for the oblast. We have 150,000 hectares of arable and we could easily provide food not only for ourselves, but for such large industrial centers in the Far East as Khabarovsk and Komsomolsk-na-Amure and help the neighboring Maritime Kray. That used to happen. Now we cannot do this because over the last two years the machinery and tractor pool on the oblast's farms has been reduced 2.5 times. And the resources are not there to increase and update it. The oblast capital, Birobidzhan, only recently the light industry center of the Far East region, is now straitjacketed by high tariffs for power and heating and transportation.

But whereas production can stand idle for a while, you cannot close hospitals and schools, even for want of

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money, and you cannot close down the stations that provide light and heating for houses. This further demonstrates that we cannot overcome the problems of Russia as a whole without resolving specific regional problems. And if the restoration of a single vertical structure of executive authority combined with practical and concrete programs for economic development in Russia enables us to transform the current situation in the country, we can confidently assume we are on the right path. One thing, though: When strengthening authority, we must not forget about the priorities.

[Batagayev article] Legal Gap Plugged

Ust-Orda, Irkutsk Oblast—A routine session of the constituent assembly was held in our oblast the other day. Aside from miscellaneous matters, there was a discussion of the draft charter. It was adopted at first reading. The "birth pangs" were protracted because of the deputies' commission had to completely rewrite entire chapters, particularly about local self-government. Yet it was back in the spring that the voters said "yes" to its basic provisions, agreeing that we would elect the local "boss" ourselves. The confidence of the people must now be more precious than gold. For example, in March the people of the Baykal area chose Yuriy Novikov again—they know him as a person. The governor has always done his utmost to protect their interests and he will uphold them in the future, despite occasional federal charges of parochialism.

So the difference between a chief "sent in," as they used to say, from a neighboring area or distant oblast and a leader elected by his compatriots is great. There are pluses and minuses in this too, but it is healthy to talk about them. This very day Vladimir Tatarnikov, a well-known Irkutsk lawyer, interviewed by the SIB-TRANSPRESS agency, said that the publication of this document was due to the unwarranted delay in the adoption of a law on state power bodies in post-Soviet Russia. The president was simply plugging a legal gap. And I agree with him.

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International Affairs

Kiev Delays Signing Nonproliferation Treaty

LD1910131694 Moscow ITAR-TASS in English 1031 GMT 19 Oct 94

[By ITAR-TASS correspondent Galina Nekrasova]

[FBIS Transcribed Text] Lvov October 18—Speaker of the Ukrainian Supreme Soviet Aleksandr Moroz reaffirmed in his Tuesday commentary on the World Service of the Ukraina broadcasting station that Ukraine would not join the Nuclear Weapons Nonproliferation Treaty for the time being.

"In our opinion," he noted, "The treaty is imperfect. And this is not only my view. It is shared by many world-renown experts, who have analysed the document. It was violated many times over by the nuclear and threshold states. In the meantime, the nuclear plague is spreading all over the world. We must produce a universal agreement, which would be binding on all states, not only on the signatories of the document. This agreement must be drawn up under UN aegis."

At the same time, Moroz stated that "we shall automatically join the treaty as soon as steps are taken to guarantee ukraine's military and economic security, as soon as the integrity of its territory is ensured."

The Ukrainian Supreme Soviet plans to discuss the contents of the Nuclear Weapons Nonproliferation Treaty at one of it sessions.

Joining NPT Favored

LD1910195194 Kiev Radio Ukraine World Service in Ukrainian 1750 GMT 19 Oct 94

[FBIS Translated Text] Ukraine will join the nuclear weapons non-proliferation treaty. The majority of our deputies come out for the liquidation of such weapons, but at the same time they cannot but be concerned about issues of Ukraine's security and security guarantees.

Oleh Dyomin, deputy chairman of the Supreme Council of Ukraine, said this during his meeting with Thomas Graham, the U.S. envoy on arms control and disarmament, on 19 October. Ukraine, the deputy parliament chairman went on to say, was the first to get down to liquidating nuclear weapons, at the same time, being surrounded by six countries which possess them. They should give us security guarantees without fail. Our state has the legal right to receive compensation for the liquidated weapons.

Oleh Dyomin emphasized that he supported the idea of Ukraine's Supreme Council Chairman Oleksandr Moroz to revise the nuclear weapons non-proliferation treaty, because more security guarantees should be given to non-nuclear countries and these guarantees should be compulsory for all states.

The U.S. president's special envoy perceived the problems facing Ukraine with understanding. He pointed out that the U.S. Government shares the opinion of the Ukrainian side and gave assurances that the liquidated nuclear weapons would be compensated for without fail. At the same time, the guest expressed certainty that Ukraine would join the nuclear weapons nonproliferation treaty. During the meeting they also touched upon other aspects dealing with this important problem. Also, they expressed certainty that Ukraine and the United States would maintain fruitful cooperation in this field.

The chairman of the Supreme Council Standing Commission for Issues of Nuclear Policy and Nuclear Security, Mykhaylo Pavlovskyy, took part in the conversation on the Ukrainian side and representatives of the U.S. Arms Control and Disarmament Agency and the U.S. Embassy in Ukraine on the American side.

Antinarcotics Measures With UN Signed

LD1910222594 Moscow INTERFAX in English 1924 GMT 19 Oct 94

[FBIS Transcribed Text] Ukraine and the United Nations will cooperate in combating drug business. Ukraine's Vice Premier Yevhen Marchuk and U.N. deputy Director-General Giorgio Giacomelli signed a corresponding program in Kiev on October 18.

Ukraine is to allocate $565,000 to the training of specialists and the creation of control laboratories and technical facilities.

Marchuk attached great importance to the fact that Ukraine had gained access to international information on the problem. "Without international integration and a comprehensive approach it is impossible to solve this complicated problem," he said. Power methods alone will not bring about any results, he added.

To quote Giacomelli, Ukraine is one of the most unprotected countries from the point of view of drug trafficking.

Marchuk noted that the Balkan and Afghan drug routes ran through Ukraine and that the volume of drug traficking had increased several times. Four draft laws have been submitted to the Ukrainian parliament on ways of combating the drug business, he said.

He also announced that Ukraine annually registers 8,000 - 10,000 drug addicts. There are 50,000 drug addicts in Ukraine now. About 400,000 people use drugs regularly.

The Donetsk Region, Odessa, Kiev, Lvov and Western Ukraine are affected the worst, he said. In 1993, 28.2 tonnes of narcotic substances produced in Ukraine were confiscated; in 1994 - 22 tonnes. This is less than half of the amount actually produced, he said.

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National Affairs

Parliament Backs Presidential Reform

LD1910225794 Kiev UNIAN in Ukrainian 1930 GMT 19 Oct 94

[FBIS Translated Text] Kiev—After a day-long debate on Ukrainian President Leonid Kuchma's 11 October parliament address, on 19 October the Supreme Council of Ukraine passed a resolution backing in principle the main provisions of the presidential speech outlining his economic reform program and his vision of the state's social policies.

With tens of deputies having participated in the debate, it was on the whole representatives of the right-wing and centrist groups of deputies that supported the program, while the agrarians, socialists and communists made a large number of proposals contradicting the principles set forth in Kuchma's speech.

People's deputy Volodymyr Ilyushyn expressed the view of the Communist group of deputies, saying that charting the course Ukraine should follow in its development was the prerogative of the Supreme Council and that was why the presidential speech should only be looked on as one of his proposals. The program put forward, in his words, was that of shock therapy, the term Kuchma, however, chose to avoid. In which case, he continued, Ukraine was facing a death. To avert it, he said, the state had to return to an exclusively planned economy.

People's deputy Anton Buteyko, of the Center grouping, underlined that the president should within the shortest possible time present to the Supreme Council the relevant draft laws deriving from his speech.

Rukh leader Vyacheslav Chornovil said it was only possible to carry out the reforms advocated by the president if the government changed and if the president led the executive power, the sooner the better.

Ihor Yukhnovskyy, of the Statehood group, described attracting investment and modernizing production as the moves of utmost importance to the president at present. He added that Kuchma should in every way promote the national patriotic idea being "Ukraine above all."

People's deputy Volodymyr Yemelyanov of the Reforms group, suggested that the president, by 10 November, should submit for parliamentary consideration a package of laws aimed at reforming the economy.

A total of 35 deputies took part in the debate.

Supreme Council Chairman Oleksandr Moroz spoke in conclusion. He outlined three aspects of the presidential program, as follows:

In moral and political terms, there was no time to waste, just as no mistake could be made. The way to go must be optimum.

In socioeconomic terms, the core of the presidential program was private ownership, which is the cornerstone of a market economy. While emphasizing private ownership of land, the program made no provision for its transformation into a commodity, with the president predicating his proposal solely on using land effectively and economically. In fact, all progressive initiatives in respect of this, according to Moroz, have already been ensured legislatively and should be put into practice. The value of land should be included in the price of food, rather than trading land itself, which made no sense given that the complete range of goods were in short supply and there was no currency of Ukraine's own.

On the subject of privatizing large enterprises, Moroz said that due to the need to update them, one could agree to transferring to trust management by various countries' most powerful transnational corporations of up to 80-90 percent of their shares owned by the state, with 10-20 percent belonging to their work force for a certain term until their products accessed the world market, which would make possible the retention of these enterprises in state ownership.

Moroz also spoke in favor of possibly setting up a service similar to the FBI, which could keep a watchful eye on investment and truly lawful implementation of market reforms. "Procrastination means the state will be governed by the mafia," he added.

In legal terms, with the president proposing that the Supreme Council should make instructions by executive power legally binding, Moroz pointed out that the strategy of reform both in Kuchma's speech and in the main lines of economic development, approved by the Supreme Council back in June, was identical and could be expressed by the formula of a state-regulated market. The Supreme Council's principal aim, in his view, is ensuring strict legislative supervision of reform, the supremacy of laws and responsibility for the situation in Ukraine.

Parliament United in Support of Reform

LD1910221694 Kiev Radio Ukraine World Service in Ukrainian 2000 GMT 19 Oct 94

[FBIS Translated Text] Oleksandr Tkachenko, first deputy chairman of the Supreme Council of Ukraine has received Giorgio Giacomelli, UN under secretary general, executive director of the UN international drugs control program. Tkachenko informed the high guest about the work of the Ukrainian Parliament, about the place that the fight against crime and drug abuse occupies in law-making activities. He emphasized that despite the different political platforms of the parliamentary groups, they are all striving to deal with legal issues fruitfully and to focus their attention on resolving issues to lead the state's economy out of crisis. The 100 days of the president's rule, Tkachenko emphasized, showed that there is no opposition between the legislative and executive powers in Ukraine. The parliament supports

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the reforms offered by the president. This creates good prerequisites for combating such an evil as drug abuse.

Irregularities in Kravchuk Election Denied

LD1810162794 Kiev UNIAN in Ukrainian 1310 GMT 18 Oct 94

[FBIS Translated Text] Kiev—On 18 October, Ukraine's Supreme Council heard a report from the temporary mandate commission which had checked the materials submitted by the central electoral commission on the conduct of the election in Terebovlyanskiy constituency in Ternopol oblast where Leonid Kravchuk was a candidate. In the words of the commission's head Andriy Snihach, "taking into account the large preponderance of votes in favor of Kravchuk, the commission comes to the conclusion that the facts on the violation of the electoral law which were provided by his opponents have not essentially influenced the results of the elections."

Snihach said that the confidants of Kravchuk's opponents motivated the violations by the fact that during the working day he held meetings, used official cars, and that the electoral fund ended up in surplus, which in the words of Stepan Khmara, had created unequal opportunities for both candidates. The temporary mandate commission rejected these accusations.

Petro Sheyko, the head of the commission for issues of regulations, deputies' ethics, and provision of the activity of deputies, said that the commission was preparing a draft resolution in accordance with which it will be given the functions of a mandate commission. According to the results of the voting, 216 votes were in favor of confirming Kravchuk's powers, 81 were against, and 34 abstained. During the discussion of the issue, representatives of the group of communists accused the former Ukrainian president of "state crimes" at which point Oleksandr Moroz noted that this was not the view of the entire group but of individual persons, and if the parliament did not confirm the powers of the deputy he would come out with an initiative on introducing amendments to the Ukrainian constitution on stopping parliament from discussing these issues.

General Says Poor Staffing Threatens Readiness

WS1910132994 Lvov VYSOKYY ZAMOK in Ukrainian 11 Oct 94 p 3

[UKRINFORM report: "Ukraine Is Running a Risk of Losing Its Army"]

[FBIS Translated Text] The Ukrainian president issued a decree shortening the period of active military service to one and a half years. This fall, both those who had served two years and a year and a half will be discharged into the Reserves. Who, then, will serve in the Ukrainian Army tomorrow? That was the question asked by a UKRINFORM correspondent to Colonel General Anatoliy Lopata, deputy defense minister and chief of the Ukrainian Armed Forces General Staff.

As head of state, the president did the right thing, Anatoliy Lopata stated. It is becoming increasingly difficult to live in a country with no clearly defined legal norms. Also true is the fact that with two categories of servicemen going into the Reserves soon, the Ukrainian Army has found itself in a bind. We are forced today to seek ways of maintaining the combat readiness of our units, which are already feeling the strain of discharging servicemen with two years and a year and a half of active service. We have no right to keep people in suspense and uncertainty regarding problems connected with military service. All mothers and draftees should know exactly how long they will have to serve. It just so happened that the law says one thing and the president another thing. This happened because the president has found himself in a position where he cannot help the military. This could not go on forever; this is why the president's decision to discharge the above two categories of servicemen has first of all a legal and sound moral foundation.

How are we going to handle this bind asks the General Staff chief. In his opinion, the main burden of service will now fall upon officers and warrant officers. The legal base will at best meet the country's needs regarding new recruits at 87 percent. We, the general declared, are not disbanding the Army, only streamlining it according to schedule. Today, our [recruitment] needs will only be 72-percent satisfied. Meanwhile, the Armed Forces provide specialists not only to the Army structures, but also to the Border Troops, Interior Ministry troops, and National Guard. At the same time, the Army has subunits that must not, and should not, be understaffed: the subunits of communications, command system, intelligence, maintenance, and air-defense. All of them should be staffed in the first place. Mechanized and armor units can wait. In addition, all education institutions will recruit only servicemen from military units. In this connection, the staffing of some of our subunits will be less than the required minimum level. So, we should start to radically reduce the Armed Forces. Units and combined units should transfer to the cadre system, where there will be just as many servicemen as is necessary to maintain our combat readiness.

I believe, the general said, that we should revise our legal base. We should eliminate different sorts of loopholes which allow for draft-dodging. How can we defend our independent state if we can use only 10-12 percent of the country's draftees?

Our Army is manned with people from the least financially secure families—those who did not manage to arrange a place at university for their son or some other benefits. It is an alarming symptom when a state puts the poor in charge of its protection, when the Army cannot offer its officers decent housing and pay, and when an officer is held hostage by the Army and cannot support his family. The security of our state is first and foremost ensured by a strong army capable of upholding the interests of the people who support it. Ukrainian officers

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are highly qualified professionals. They are not the ones who seek civil jobs, it is the jobs which find them. We were brought up having a strong army at our side, which was respected by the people and where service was a matter of prestige. Today, however, the value of man and his profession are determined according to different criteria. The cleanness of ones hands and money have ceased to matter. Money no longer smells of human sweat. However, the general emphasized, our Army has always had people who will do their best to preserve the Ukrainian state.

Donbass Coal Mining, Workers' Movement Viewed

WS1810140094 Lvov POST-POSTUP in Ukrainian 6-12 Oct 94 p A3

[Article by Maryana Chorna: "Through the Donetsk Looking-Glass"—first paragraph published in box]

[FBIS Translated Text] Throughout my trip to Donbass, I could not help feeling as if I had gone through the looking-glass. The real Donetsk world is like a Donetsk public myth turned inside out. Among the most popular attributes of this myth are the Donetsk coal miners and the Independent Trade Union of Coal Miners [NPH]. The Donetsk Strike Committee in 1989 was the most unpredictable factor in Ukrainian politics of the time. At first, it declared its political indifference; later, miners' meetings were held under blue and yellow banners; after that—everything became complicated. The Strike Committee—in reaction to the emergence of the Ukrainian National Self-Defense movement, ardent patriotic babbling, and an unending campaigning for "national revival"—sent all those preachers to rather unsightly whereabouts. An opinion prevailed among national democratic circles that the miners' movement breeds wicked Ukrainophobes and separatists.

From time to time, waves of strikes were rolling through the Donetsk steppes, and Ukraine was shivering as if in a fever—old governments were replaced by new ones. It was impossible to understand what the Strike Committee really wanted. The public believed that it wanted higher wages, more sausages, and... let's go to Russia. Countless people have spoken "on behalf and for the sake" of Donbass! These included People's Deputy Charodeyev, chiefs of various levels ranging from Comrade Ilyushenka to Comrade [Deputy Prime Minister] Dyuba, Comrade Boldyrev from the Communist Party of Ukraine—the leader of all revolutions and fighter for "brotherly unification with Russia." The only body not being able to voice its opinion was the Donetsk NPH.

In the meantime, Ukraine's coal industry was slowly dying in agony. Donbass was reaping the whirlwind sown as early as the forties. "Donbass—a stokehole of the nation" was being cheerfully hailed from many rostrums, while stokehole's furnishings gradually deteriorated into museum exhibits. People still recall a fabulous steamboiler removed from a French steamship in 1918. The boiler was not even new at that time, but it served its term in Donbass until mid-1980's when it was written off. The stockhole made up for its antiquated equipment by propaganda slogans and manual mining of thin strata with a daily work quota equal to 7.5 tons of coal per miner. For the sake of clarity, "manual mining" means cutting into a coal layer with a pick in a squatting position. As long as there were means for it, the heroes of labor were fed tolerably well on CPSU leftovers and the remnants of petrodollars—these were enough for them to buy sausage for their mealbreaks to keep their bodies going during their physically demanded work. Plus, they also bought vodka to forget about the job of mining. As of now, nobody feeds them any longer, and nothing was done to stave off the catastrophe. Today, we have what we have—capital stocks have depreciated by 70 to 75 percent. The Petrovskaya mine can already claim its place in the Guiness Book of Records—its capital stock has depreciated by 95 percent. The Strike Committee claims that half of the coal mines should be closed immediately. Because they are no real mines, only financial disasters. What next? Next—firing from dead-end jobs, because there are no other jobs for those people who are fired. The slave labor under Stone Age technology and spasms in an empty stomach have been joined by the specter of unemployment, while the wear-and-tear on equipment has considerably contributed to an increase in the already super-high rate of deaths, not to mention crushed hands, legs, heads, and backs suffered per 100 tons of extracted coal.

The wage rate among the principal mining professions in the "Donetskvuhillya" [Donetsk Coal] concern has reached 1.5 million karbovanetses. Such is the price for risking one's life and mining manually; low as it is, the wage for July was not paid until September. The people who still have some strength in them, buy their sick leaves, eat their break meal for breakfast and—off they go to try their luck at peddling and hawking. The best working hands are oozing from the coal industry like blood from an open wound. There are mines with half or even more of their labor force already lost. Even at the mere recollection of those measures adopted in the coal industry by governmental geniuses in the period between Mosol and Mosol, Strike Committee members are carried away to all the "unmentionable vagaries of the Donbass language." The number-one issue—economic independence of mines—has not been resolved. Beginning in 1989, the issue has been "hatched" at public squares and meetings. The mines were granted the status of legal entities and the right to hold their own bank accounts. A "package" of measures also provided for state orders up to 95 percent of the mines' production capabilities, as well as material and technical supply by the Ministry of Coal Mining up to 25 percent of their needs. Additionally...the price for coal was fixed. Earlier, the price was set at $7 per tonne, now—what an event to celebrate!—$12 per tonne; the world price is $35 per tonne. To make up for this, the mines are given the full

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market right to buy anything they want at world prices, because such are the prices set for its products by Russia.

Thinking about free prices and other trickery of independent trade and the market economy has not been "allowed," because the market in Ukraine is "socially oriented," while reform—"evolutionary." Freedom was replaced by subsidies which are regularly not being paid. In addition, successive wage increases were implemented to generate new spirals of inflation. What has followed? Russian competitors have begun to push Donbass out of its natural markets in Moldova, Belarus, and central Russia, and even managed to penetrate the Ukrainian market. While Ukrainian miners and strike committees, fettered and leashed by their native Ministry of Coal Mining, are trying to explain that they want more reforms than wages, Russian competitors snatch away from them everything possible.

Since 1989, the Strike Committee has begged on its knees for benevolent permission to create its own pension and insurance fund. Yes, it asked not for higher pensions, but for permission to make them higher, as it is anywhere else in the world. Just to break free from the native clutches of the state pension fund. Nothing of the kind! The same thing happened in relation to health care. The Strike Committee asks for both insured and paid health care, while the Cabinet of Ministers answers with "social guarantees." This is how the blind talk with the deaf. The entire package of Strike Committee demands is being answered by the governmental quagmire with still more inflation tips. In the hot August of 1994, the situation found itself in a tight corner. A commission of the Ministry of Coal Mining, headed by Dyuba and Surhat, and supported by the Council of Coal Mining Directors, found a "way out" of it. They recommended to revive the coal mine code from the era of Iosif Vissaryonovich [Stalin]—to limit the rights of trade unions, employ miners on a contract basis, and fire them without any dilemmas. In short, "to restore order there."

Mrs. Thatcher had a headache because of Wales, which did not want capitalism. The Strike Committee has a headache because of the Cabinet of Ministers, which builds socialism. Its a pity that the Donetsk Strike Committee cannot have Mrs. Thatcher as prime minister...

POST-POSTUP has also touched upon another sore problem—Ukrainian political circles are inclined to treat the Donetsk NPH as separatists and complete "Ruskies." The answer was explosive. We cite it in the original language: "Who has invented the idea of a Krivyy Rih-Donetsk republic? How long are we to be chided with this?! Tell us, where do you see those idiots objecting to their own independence? Where is that independence?! Let us touch it, or at least a look at it for a while!" [passage within quotation marks in Russian] With this, we could conclude our discussion of separatism. Because Donbass is like a land through the looking glass, where the workers' movement sometimes demands capitalism and "Russian chauvinists" complain that our independence is only on paper.

The Donetsk steppes have turned white from drought. The hot air breeds mirages. But in reality, we have what we have. The Strike Committee, against the logic of workers' movement, is forging ahead toward capitalism, while the "cosmopolitan-chauvinist authority" is supporting miners in their struggle against their Donetsk beloved Ukrainian Communist Party of Ukraine, which, due to its great patriotism, struggles for the unification of Donbass with Russia. Of all Ukrainian lands, the Donetsk region, with its rich history, most closely resembles America. It is due to the region's age and ways of living. Donbass, like the American prairies, was colonized over 200 years. The only difference is that there were no Indians in Donbass. Donbass was colonized by strong and independent people, who sometimes were not in harmony with the law, but always integral in their personalities. They were free and uninhibited Cossacks, businesslike Greeks, hardworking Germans, and Stolypin's "dissenters" who ran away for happiness and freedom. They were somewhat adventurous at their heart, placing their trust in their fists and lucky stars. This is probably why Donbass today—ideal soil for planting Ukraine's own version of the "great American dream"—is such an essential region for the young state. In our through-the-looking-glass politics, where people are guided not by facts, but by myths, Donbass cannot be perpetually reproached for this. By cracking this looking-glass, Ukraine cracks its very self. One of its most beautiful parts.

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Belarus

Documents Signed With U.S., Russia, Ukraine on START

WS2010104694 Minsk BELAPAN in English 1200 GMT 19 Oct 94

[FBIS Transcribed Text] According to the Belarusian Foreign Ministry information department, representatives of the United States, Belarus, Russia, and Ukraine signed in Geneva six agreements and joint declarations aimed at the efficient implementation of the Strategic Arms Reduction Treaty (START) after the treaty's coming into force. The documents were worked out at the 8th session of the Joint Commission for the implementation and inspections, which was formed in accordance with the START Treaty. The commission is engaged in solving questions concerning the observance of the parties' commitments, as well as the adoption of additional measures for improving the efficiency of the START treaty.

Presidential Adviser on Lukashenka's Reforms

LD1910201894 Moscow INTERFAX in English 1801 GMT 19 Oct 94

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Ivan Lemeshevsky, chief of the team of advisers to the prime minister, gave Interfax an exclusive interview on President Alyaksandr Lukashenka's reforms.

Q.: The president wants legislation allowing sales of land to western investors, most important for the country, under his personal control. Wouldn't it be better to legalize sales and purchases of land and to create a land market?

A.: I don't think that the president tried to work out a general solution to the issue. Rather, he chose a cautious approach because society is not prepared to have a land market.

The government is well aware of the fact that no significant foreign investments will flow into our economy before private property of land is allowed. The president is physically incapable of looking into every investment project or supervising its implementation.

Alyaksandr Lukashenka's team includes numerous skilled experts who will handle these issues. I am sure that free sales and purchases of land will be legalized in time. But at the moment one should approach this without hurry and prove to the people the advantages of a land market.

Q.: The president intends to declare an amnesty for the businesses which have hard currency deposits abroad without a proper license from the National Bank but will transfer the funds to Belarussian banks before March 31 1995. Observers believe that he fights the effect while overlooking the cause which is an unfavorable tax climate. Is it true that businessmen find it unprofitable to keep hard currency in Belarus?

A.: Before a favorable tax climate is created we will not have brisk business activities. But let us not go into detail of this issue.

The amnesty must be regarded as an invitation to a sincere dialog. An amnesty is no acquittal. Both the president and the cabinet know full well that another amnesty will be needed in six months if the taxation legislation is not changed. A chain of amnesty's is not the way to develop a growing economy.

Q.: Do you believe the forecasts about curbing inflation in the president's anti-crisis program which promises drastic cut of inflation before January 1995?

A.: These plans are quite feasible provided that all the steps outlined in the program are implemented and no emergencies such as an unusually harsh winter or natural disasters occur.

Like numerous other media you refer to Lukashenka's program as anti-crisis. This is not exactly so. The program calls only for a minimal order in the economy. All the steps under the program can be implemented within two months. If we drag our feet on this, new problems may arise.

The program did not require a significant amount of intellectual effort. Ministries, agencies and scientific teams were forthcoming with ideas. I am surprised that the political leadership of the country had to be changed before this work started.

Another thing that worries me is that the programs adopted by the former leaders of the republic did not, as a rule, materialize. The new leaders have to rely on the same officials who obstructed earlier plans. I believe that the president and his team will run into numerous difficulties. The age-old bureaucrat's commandment, don't do today what you can do tomorrow, has not been canceled.

Q.: What do you think of introducing a national currency?

A.: I would support this as a final goal, as a culmination of monetary and crediting reforms. This step must be preceded by bringing inflation under control and setting up a currency stabilization fund. Introducing a piece of paper with a new ornament as a national currency would be absurd.

We in Belarus have already a national currency, the National Bank bill, or hare. Parliament made it the sole legal tender in Belarus by its resolution of October 19. The government and National Bank have now to stabilize the hare.

The press discusses two approaches to doing this. The one is non-monetaristic when the burden of responsibility is to be carried by the industrialists, factory and

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farm directors and government officials. But this is curing the symptoms rather than the disease.

The other approach is monetaristic in which the managers of the monetary and crediting relations are responsible for stabilizing the currency. The adherents of this approach believe that the regulation of the national budget spending and revenue, reducing the budget deficit to an acceptable level, business-like relations between the National Bank and commercial banks and proper handling of refinancing and credit issuance can resolve all problems. This approach is sound but one should not forget the food and consumer good stores. There must be goods to be bought with the available cash.

For this reason one should use both approaches. But no plans can be implemented before a semblance of order is instilled in the economy. This is the goal of the presidential program.

Q.: Russia is the sole supplier of oil, gas and metals to Belarus. Should the country look for other sources?

A.: When the national economy is totally dependent on one source for fuels and raw commodities, it is obvious that the country is not properly sovereign. Looking for alternative sources is a normal process. Belarus must have a choice and buy wherever the goods are cheaper. I know that numerous political angles are involved but the economists and statesmen must have a chance to resolve the problem. There are various ways to do so and one of them is setting up joint industrial and financial groups.

It would be reasonable for Belarus to have various sources of fuels and raw commodities, with any extent of its integration with Russia. The idea of a Baltic-Black Sea oil pool has numerous constructive or, at least, challenging features. Belarus with its geographical position would welcome this pool. Nearly all East European countries would do so, too.

In any case, looking for other sources of oil is a largely political issue which calls for changing the vector of Belarus's political development. This is understood in the West where supplies of oil to Belarus may be obstructed by those who do not want Belarussian goods in western markets. This is also understood in Russia which wants to preserve our large market.

Resource saving is equally important for Belarus. The country spends twice as much energy and materials on a unit of production as advanced countries do. Our economy is gluttonous. Whatever amounts of fuels we buy, we will for ever be short on them.

Q.: The country's new leaders reiterate what their predecessors said about the West not letting Belarus into its market. Why doesn't the republic retaliate by restricting imports of western goods?

A.: We are not welcome in the West, that's true. The market there has long since been divided into spheres of influence against a background of economic integration. The situation at hand results from the opening of borders with the West. Following the production decline in the former Soviet republics import makes for the shortage of consumer goods. Their availability or otherwise influences the social climate in Belarus.

Official Views Organized Crime, Prevention

WS2010101594 Minsk ZVYAZDA in Belarusian 7 Oct 94 pp 1, 2

[Interview with Uladzimir Shafarenka, chief of the Internal Ministry Department for Combating Organized Crime, by Uladzimir Hoytan; place and date not given: "Organized Crime Is Attacking; We Are Ready To Receive This Attack"—first paragraph is ZVYAZDA introduction published in boldface]

[FBIS Translated Text] **Today, militia reports resemble news from the theater of war: Everyday killings, robberies, rapes. For example, over the first eight months of 1994, workers of the Department for Combating Organized Crime alone have investigated 1,260 crimes, that is, two times as many as in the same period of 1993. The criminals were deprived of 114 firearms, 63 kg of drugs, as well as many million rubles worth of cash and valuables. The alarming thing is that one can clearly feel someone's guiding hand in all these criminal activities. In short, the term "organized crime," which has remained in the shadows until quite recently, is now in the open. There are many reasons for this. The starting point for our interview was a rather old feature-story published in the then popular weekly LITERATURNAYA GAZETA by well-known criminologist Aleksandr Gurov and writer Yuriy Shchekotikhin, where they—probably, for the first time—openly warned against the dangers of organized crime. "The lion has leaped," they wrote alarmingly, having in mind various illegal organizations. To where did it leap? Where did it land? We have asked Militia Colonel Uladzimir Shafarenka, chief of the Internal Ministry Department for Combating Organized Crime, to share his opinions with our readers.**

[Shafarenka] Criminal groups in our Republic have already passed the stage of their formation. The current stage is a stage of brutal competition and cruel struggles for spheres of influence and control over illicit operations, often costing human lives. Practically all organized criminal groups use firearms. Armed felonies increased by one-third over the last eight months. In Minsk, the number of such crimes increased by 200 percent.

[Hoytan] **People speak about racketeering today. What is being done to stop this calamity?**

[Shafarenka] Racketeering has become a reality in our lives. The number of extortion cases increased by 71.2 percent this year. Taking into account the fact that citizens report these crimes primarily to our Department for Combating Organized Crime, it is not difficult to realize the workload facing our personnel.

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Racketeering is embracing still newer and newer segments of our society. Quite recently, our department, while investigated an extortion case, arrested a criminal group which included two militia workers.

[Hoytan] **The kidnapping and holding of people for ransom is a new phenomenon for you.**

[Shafarenka] Yes, we have recently registered instances of people being kidnapped and held for ransom. Our workers have more than once freed hostages. Not only local residents are being held hostages, but also citizens of other countries, as it happened with two Lithuanian residents in Polotsk. Three Polotsk residents, with extensive criminal records, were arrested by workers of our departments for having taken hostages. At approximately the same time, our Russian counterparts freed a hostage from Belarus, who had been captured by mobsters from Serpukhovo near Moscow.

[Hoytan] **Until quite recently, criminals have primarily been males. What is the current situation? Traditions are changing, as they say...**

[Shafarenka] Crime has overstepped the bounds of only one sex. More and more females are becoming either victims or executors of unlawful activities.

This year, our workers detained a criminal gang which forced two female residents of Orsha to commit robberies and routinely beat them. For this purpose, the gang, under threat of death, regularly crammed the two women into a car trunk, drove them into the woods, and beat them with a rubber club.

[Hoytan] **It is probably the first time in decades that we have also heard about "exports" of "priestesses of love."**

[Shafarenka] We have long been familiar with facts of recruiting Belarusian women, including those who are under age, for prostitution markets in Europe and the Near East. This recruiting of Belarusian female slaves was carried out by members of well-organized and corrupt criminal groups; a number of those criminals has already been arrested.

A few days ago, literally, a corrupt criminal group was uncovered in Vitebsk Oblast, which set up the forced emigration of 11 Belarusian women with false documents to Turkey and Bulgaria, where they were forced under the threat of violence to become prostitutes.

[Hoytan] **You probably recall how, several years ago, an organized group was detained for attempting to smuggle drugs. Nowadays, we have gotten used to such events...**

[Shafarenka] The trafficking in "white death" in our republics is growing. The war in former Yugoslavia has closed off much of the narco-Mafia's former area of operations, so they now transit their poisons across Belarus. This year, our department, in cooperation with the Border Troops, detained and arrested three Indian nationals, one Pakistani, and two citizens of the Republic of Benin for an attempt to sell over 2 kg of heroin.

Drug addicts sometimes commit brazen crimes. This September, our workers detained three criminals for extortion; two of them had previous criminal records. While conducting their search, our workers found a militia uniform with captain's epaulets, a sawn-off shotgun, a gas pistol, two grenades, and various drugs.

[Hoytan] **The term "business" has now become legitimate. It was initially introduced by cooperative societies. This term, however, often means violence and blood.**

[Shafarenka] The process of the original accumulation of capital busily involves the representatives of commercial structures not only in economic, but also in criminal activity. There is nothing to doubt—the business world has been infused by thieves and swindlers. Regardless of how good they are playing their role of businessmen, they have been and still remain predators.

We arrested a manager, a chief accountant, and two guards of commercial firms earlier this year. They brought their colleague, an entrepreneur, to the woods and tried to extort money and property from him. To make him more cooperative, they hanged him from a tree by his legs, poured gasoline over him, and threatened to light him on fire...

There are many tricks tried by newly made businessmen and entrepreneurs. This August, our department prevented an attempt to steal 6 billion Belarusian rubles belonging to the "Spadarozhnik" company. The criminals were arrested.

A criminal group has been uncovered, which attempted to sell some 49,000 carats-worth of diamond powder; plus, an attempt to smuggle 6 tonnes of titanium from our Republic has been thwarted. Tens of thousands of U.S. dollars were saved in the process.

These are only select examples from the last few months.

[Hoytan] **Today, paradoxical as it may seem, our roads have become dangerous places. Criminals stop cars and trucks, steal cargoes, and, very often, the vehicles themselves. What is our militia doing to prevent such criminal activities?**

[Shafarenka] Until quite recently, the roads have been the most convenient place for committing criminal acts: To stop a truck, steal its cargo, and, in addition, "confiscate" the vehicle. It is even easier if the bandits are armed. This cannot be prevented by issuing warnings alone or, even more so, by some other form of persuasion. What is the most desirable thing for criminals? A flashy foreign car, especially if it is filled with merchandise. Proceeding from this, the Department for Combating Organized Crime set special car "traps," using its workers as bait for road bandits. In other words, force was met by force. What happened? Several bandits took

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the bait, having attempted to rob the officers. We managed to detain several criminal groups in Minsk, Gomel, Grodno, and Mogilev Oblasts. One militiamen and several bandits were injured; one bandit was killed.

[Hoytan] **There are reports in the mass media from time to time that Internal Ministry bodies have began to reach for the top of the criminal "iceberg," that is, for the leaders of bandit groups. Could you provide some more details on this?**

[Shafarenka] Organized crime has recently been seriously hurt. These days, the trial of nine people, who committed around 70 crimes in our Republic, has been concluded in Minsk. Similar criminal groups have been uncovered and rendered harmless in Minsk, Brest, and Vitebsk Oblasts, as well as in the city of Minsk.

The ranks of criminal barons have been thinned out considerably. A. Lahvinovich, a criminal of "authority," who had stood trial three times in the past, was arrested in Brest. "Navum," a thief "in-law" who stood trial four times before and was one of the leaders of a nationwide criminal group, was arrested in Vitebsk with help from the KGB. The leader of a Minsk criminal group was sentenced to a long prison term. Holders of mutual aid funds for thieves' families have also been detained and arrested.

Along with this, the press and other organs of the media, intentionally or not, are popularizing thieves "in-law" as well as criminal "authorities" with their ideology and ways of living. We should be well aware of the fact that organized crime is dangerous due not only to its wide scope, but also to the refinement of its deeds. Therefore, this "ninth wave" of crime-breeding situation should be opposed by our high skill and professionalism in detecting criminal dealings. For example, it is no secret that there is a dynamic money laundering business under way these days. For this purpose, dozens of various firms are being created, including joint ventures. It is important for us to have information not only about their production, but also about their spheres of capital investments. In other words, organized crime is now on the attack. This means that we should meet this attack head-on. However, a single wish to do so is not enough. It is time to adopt a national program for combating crime, including its most dangerous form—organized crime. It is important to immediately adopt a package of legislative acts, including those regarding organized crime. For example, the agenda of the current legislative session is "stuffed" with over 50 draft bills, including bills on such matters as pedigree-cattle breeding, whereas a new criminal code as well as a law on combating corruption and organized crime were again postponed by the people's deputies to a later term. Is this anyway for a state to think or act?

Belarusian Ruble Becomes Only Means of Payment

LD1910161594 Moscow ITAR-TASS in English 1456 GMT 19 Oct 94

[By BELINFORM for TASS]

[FBIS Transcribed Text] Minsk October 19 TASS—The Byelorussian rubel will be the only legal means of payment in the republic, and in money circulation—banknotes of the National Bank. This decision was passed by the Supreme Soviet of Byelorussia [Belarus] today.

The National Bank of Byelorussia has been given the right to establish an official exchange rate of the Byelorussian rubel to the Russian rouble and other foreign currencies, and determine an order of the currency regulation. With the adoption of this document the circulation of other currencies in the republic will be considered illegal, Mechyslaw Hryb, chairman of the Byelorussian Parliament noted.

This Supreme Soviet's resolution concerns first of all domestic trade which has been making payments with customers lately more often in foreign currencies.

Stanislav Bogdankevich, chairman of the board of the National Bank of Byelorussia, stated that this measure was aimed in the first place at the improvement of the state monetary system and easing of inflation. According to him, the population of the republic has about two billion U.S. dollars. Taking into account a high rate of inflation many citizens invested their savings in hard currencies. From now on, before going shopping a resident of the republic will have to exchange foreign currency for the Byelorussian rubel at an exchange office.

Moldova

Snegur Confirms 14th Army Accord To Be Signed

AU1810131794 Chisinau BASAPRESS in English 1900 GMT 17 Oct 94

[FBIS Transcribed Text] Chisinau BASAPRESS, 17/10/1994—"The 14th Army withdrawal agreement will be signed on 21 October at the CIS presidents' summit," Mircea Snegur said yesterday night on national television. The most recent project for Dniester's special status produced by Tiraspol is a mere intention to make a separate state structure. This has surprised not only the president, but the CSCE mission head and the Russian president's representative as well. As for President Iliescu's statement that Moldova is a second Romania, Snegur says such assertions may induce hatred for Romanians, and the Moldovan leadership would not be responsible. Asked to comment the wish of Kazakhstan president to create the Euroasian Union, Snegur stated that the CIS good functioning is the primary item. Other proposals may be issued only afterwards, he added.

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Tajikistan

UN Mission Head on Cease-Fire Implementation

LD1910123094 Dushanbe Radio Tajikistan Network in Tajik 1100 GMT 19 Oct 94

[FBIS Translated Text] A news conference took place today at the mission of the United Nations in Tajikistan.

The news conference was devoted to the issue related to the implementation of the agreement on a cease-fire that was signed in Tehran between the representatives of the Government of Tajikistan and the opposition. Mr. Liviu Bota, head of the mission of the United Nations in Tajikistan, made an appeal at the news conference. Later, he replied to questions by local and foreign correspondents. Here is an excerpt from Bota's appeal:

[Begin Bota recording, in Russian] As a head of the United Nations mission in Tajikistan, I am appealing to all citizens of Tajikistan, regardless of their location. As you know, the agreement on a temporary cease-fire and the cessation of other hostilities until a referendum on a draft new constitution and the election of the president of the Republic of Tajikistan was signed on 16 September 1994 in Tehran, taking into account that the agreement is (?the first) step toward the achievement of national reconciliation and the resolution of all the issues included on the agenda of the inter-Tajik talks that are going on under the auspices of the United Nations.

With the purpose of more effective implementation of the aforementioned agreement, the sides have agreed to establish a joint commission out of the representatives of the Government of the Republic of Tajikistan and of the opposition.

I am appealing to both sides to observe honestly all agreed obligations in connection with the aforementioned agreement and to stop the shooting and other hostilities on the Tajik-Afghan border, as well as inside the country. The UN military observers will [words indistinct] cars bearing the UN emblem. The UN military observers are not armed. Their mission is very important in the restoration of peace and tranquillity in Tajikistan for the benefit of all the citizens of Tajikistan. [end recording]

Appreciation Shown for Iran's Peace Efforts

LD1910165694 Tehran IRNA in English 1531 GMT 19 Oct 94

[FBIS Transcribed Text] Islamabad, 19 Oct, (IRNA)—Tajik opposition leaders here Wednesday [19 October] appreciated Iran's successful peace efforts in holding the second round of talks last month.

In a meeting with Iranian ambassador in Pakistan, Mohammad Mehdi Akhund-Zadeh, they appealed to the Islamic Republic of Iran to continue its assistance to help resolve problems in Tajikistan.

The second round of negotiations between the government and opposition groups of Tajikistan was held in Tehran last month. The two sides agreed with a ceasefire to become effective November 6.

Akhund-Zadeh said that Iran made every efforts to help restore peace in Tajikistan and Afghanistan and was hopeful that through coordinations made with Pakistani Government and all the respective parties the crisis will end in Tajikistan.

The third round of peace talks on Tajikistan is due to open here tomorrow and last for 10 days under the auspices of the United Nations.

Delegates from Tajikistan, Russia, Iran, Afghanistan, Kazakhstan, Kyrgyzstan, Uzbekistan and the Conference on Security and Cooperation of Europe (CSCE) as well as the special envoy of the United Nations will attend the talks.

Candidate Says Election Law Undemocratic

LD1910200194 Moscow INTERFAX in English 1704 GMT 19 Oct 94

[FBIS Transcribed Text] Former Tajik premier, a candidate for the Tajik presidency Abdumalik Abdulodzhanov said at a press conference in Dushanbe today that the law on presidential elections in Tajikistan was antidemocratic and violated human rights.

Abdulodzhanov said that if he won the presidential race he would continue the dialogue with the armed opposition started by the present Tajik leaders. At the same time, he avoided saying if the opposition's leaders would be given an opportunity to take part in the government.

Leader of the initiative group for putting forward the candidacy of Abdulodzhanov for the presidency Khabibullo Oripov said Tajik television had given to present Tajik Head of State Emomali Rakhmonov 57 minutes on the air for his election campaign. He added that Abdulodzhanov had been given only four minutes on television.

Oripov said Abdulodzhanov could not make known his election program until now as the media was afraid of giving him place in newspapers and time on the air as a result of pressure by the official leaders.

Uzbekistan

President Karimov Returns from Istanbul Conference

LD2010080494 Tashkent NARODNOYE SLOVO in Russian 20 Oct 94 p1

[FBIS Translated Excerpt] President Islam Karimov returned to Tashkent on 19 October from Turkey, where he attended the meeting of heads of Turkic-speaking states held in Istanbul. [passage omitted]

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Calls To Restore Soviet Union Concern Karimov

LD1910203294 Moscow INTERFAX in English 1801 GMT 19 Oct 94

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] As he spoke at a conference of six Turkic-speaking countries in Istanbul, President Islam Karimov, of Uzbekistan, said the Turkic countries must present a common front in the international scene. He believes that would let the essence and seriousness of problems of the whole region and of individual countries known to all members of the United Nations and CSCE participants interested in their solution. That would also help receive assistance in fostering stability and regional security.

In the first place President Karimov pointed to the risks posed by the continuing civil war in Afghanistan, the confrontation of political forces in Tajikistan, hostilities on the Tajik-Afghan border and hit-and-run raids by militants and gangsters from Afghanistan.

Karimov believes that the flame of hostilities cannot but affect neighboring Central Asian countries and the further escalation of tension will have unpredictable consequences for those countries "involved in that adventure despite themselves". President Karimov pointed to the fact that mercenaries from various countries were involved in the gangs financed and armed by known centers.

"I would like to believe that the forthcoming round of talks between the government of Tajikistan and the Opposition under the auspices of the UN and the CSCE would yield favorable results," he said.

Karimov sees another risk in proposals for returning to the old empire, which have been most frequent lately. President Karimov believes it is unimportant in which disguise the former union is proposed to be restored. Calls for forming various "unions and confederations smack of imperial ambitions and of a return to the previous system", he said. President Karimov believes that the political, economic and spiritual crisis of newly-founded states was used in the gambling. He warned against populist politicians of the Zhirinovskiy or Solzhenitsin type, who say that the existing borders of sovereign states must be redrawn. President Karimov said that Uzbekistan had nothing against economic integration or the elimination of artificial customs, financial or currency barriers between CIS member-states.

Karimov touched upon the ecological situation in the region, in particular, in the Lake Aral area. The situation in the Aral area is not a regional problem, but a global one, and it must be resolved with the participation of international organizations of the United Nations and the CSCE. He called for joint efforts by countries in the region to resolve such pressing problems as drugs trafficking and terrorism.

As he concluded his address, President Karimov said "I am perfectly aware there will be forces who will misinterpret our natural desire to establish closer relations. But we are not going to infringe upon the interests of others. Closer cooperation by Turkic-speaking countries will make a tangible contribution to economic development, peace, security and stability in Asia and in Europe."

Central Bank Chairman on Cooperation With IMF

LD2010092894 Tashkent NARODNOYE SLOVO in Russian 19 Oct 94 p 3

[FBIS Translated Text] Recently an Uzbek Government delegation came back from Madrid where it took part in the annual meeting of the International Monetary Fund and the World Bank. Today Fayzullo Mullajanov, a member of the delegation and manager of the Uzbek section of the IMF and chairman of the board of the Central Bank, speaks to us.

[Question] Fayzullo Maksutjanovich, as far as we know, the economic policy of Uzbekistan is arousing lively interest in the financial world. How was this felt at this meeting? What tasks was the government delegation set when it was sent to far-off Spain.

[Mullajanov] Indeed, the interest in our reforms is huge. We sensed it literally from the moment we arrived. Owing to the coincidence of the meeting's date with the celebration of the 50th anniversary of the Breton Woods institutions—that is, the International Monetary Fund and the World Bank for Reconstruction and Development—more than 10,000 representatives of financial and business circles, including government representatives, managers of the largest banks and companies, from all over the world gathered to take part in the meeting. That is why we tried hard to make full use of the opportunity and discuss with interested parties the issues of Uzbekistan's cooperation with international organizations in the field of financial stabilization and support for reforms being implemented in the republic and projects of technical assistance.

Before the beginning of the meeting, a conference was held of delegations of the group of states, including Uzbekistan, whose interests on the board of directors of the IMF and at the World Bank are represented by Switzerland. Meetings were held with the heads of the Swiss ministries of finance and economy and the Swiss National Bank as well as with Swiss President Otto Stich. He noted that the economic reforms being implemented in Uzbekistan have found understanding and approval in the international arena and wished success to the continued in-depth development of the reforms in the republic.

The head of our delegation, Uzbek Deputy Prime Minister Bakhtiar Hamidov delivered a paper on the economic development of Uzbekistan at the plenary

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meeting. The paper aroused great interest among the participants of the annual meeting and representatives from various countries.

Besides the work at the sessions, meetings were held with IMF and World Bank officials. A meeting with Michel Camdessus, managing director of the IMF, and D. Addling-Smi [name as transliterated], manager of the second European directorate of the IMF, discussed issues of the further development of cooperation between the IMF and Uzbekistan and the possibility granting it a credit within the framework of the program of structural transformations. Currently the reforms being implemented by the Uzbek Government are supported by the IMF. All the IMF experts' recommendations have been carried out, and as a result of the work carried out by the IMF's mission to Tashkent, the project to allocate our country the aforementioned IMF credit of 140 million dollars in two parts will be submitted to the IMF board of directors. Mr. Camdessus noted that the IMF is carrying out effective and fruitful work with the government and that the monetary and credit policy being carried out by the Central Bank is supported by it. It is also important that the republican budget has remained within the framework of the previously adopted plan which considerably restrains inflationary processes. The measures undertaken in the field of freeing prices and abolishing the existing subsidy system have also met with approval though at the same time the state is helping its citizens by granting compensations.

On the whole, Uzbekistan has achieved considerable successes along the path towards financial stabilization and normalizing the economy during the last six months. A great deal has been done in monetary and credit policy, expansion of the foreign exchange market, creation of the credit market, and carrying out privatization. The government's consistency in implementing the economic reform policy and the strategy of transformations chosen in April were appraised highly. We think, Mr. Camdessus emphasized, that the aims set by the government for carrying out the economic reforms are correct and when carried into effect, they will allow long-term development of the national economy.

[Question] The possibilities of the economy of Uzbekistan are such that they allow it to take part in several projects together with international organizations. What is being done by us to attract additional investments? What factors influence this process?

[Mullajanov] During the meetings with the vice president of the World Bank, V. Talvits [name as transliterated], we discussed the issues of extending Uzbekistan a rehabilitation credit, a credit for development of the irrigation system and the possibilities for extending credits to implement projects in the oil and gas industries. The bank proposes sending two missions to Uzbekistan to coordinate the issues of extending the rehabilitation credit and to study the privatization process. After coordination is complete, the necessary documentation will be submitted to the Board of Directors of the World Bank. According to the bank staff's estimates, the economic potential of Uzbekistan allows the implementation of up to three joint projects totalling 400-500 million U.S. dollars annually.

Apart from this, negotiations were held with Mr. F. Kapadka [name as transliterated], head of the Secretariat of the Asian Development Bank (ADB). The issue of our republic's membership in the ADB was discussed. In the near future Uzbekistan will join the ADB and this will enable Uzbekistan to use the finance resources of this influential international organization as well.

Uzbekistan is interested in the influx of foreign investments, although the influx of foreign capital depends on many factors. Political stability and the favorable conditions created in the republic are a reliable guarantee for the development of all branches of production, trade, and services. At the same time, strengthening of the national currency is of great importance. The Central Bank of Uzbekistan realizes perfectly well that the stability of the currency is the highest priority of its activities. The stability of the national currency is of decisive importance for reviving production and investments and, finally, it is capable of laying the foundations for equal and mutually beneficial cooperation with other countries.

[Question] Besides using the resources of international organizations, there are other important things for the republic: technical and consultative assistance, gaining experience. What assistance does the IMF render us in this matter?

[Mullajanov] Uzbekistan became a member of the IMF and the World Bank in September 1992. Since that time more than 10 IMF missions have visited the republic with the aim of rendering technical assistance and giving advice. Their activities were directed towards carrying out fundamental changes in the sphere of statistics, banking supervision, assistance in introducing the national currency, and help in defining priorities in the financial sphere. The Central Bank of Uzbekistan together with the experts of the IMF drew up reviews and documentation in the sphere of economic analysis. Taking into account the IMF specialists' recommendations, work on elaborating monetary and credit and exchange policy is under way. The permanent representative office of the IMF in Uzbekistan with Istvan Salkai [name as transliterated] at its head renders assistance to the best of its abilities in all this.

In conclusion, I would like to emphasize that the support of experts from international financial organizations and receiving credits are not ends in themselves but they allow an assessment once again from outside of the correctness of the economic reforms being carried out and the chosen strategic directions.

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Resolution Implements Underground Resources Law

LD1910130894 Tashkent NARODNOYE SlOVO in Russian 13 Oct 94 p 3

["Resolution of the Supreme Council of the Republic of Uzbekistan on Implementing the Law of the Republic of Uzbekistan on Underground Resources" signed by E. Khalilov, acting chairman of the Supreme Council of the Republic of Uzbekistan, in Tashkent on 23 September 1994]

[FBIS Translated Text] The Supreme Council of the Republic of Uzbekistan resolves:

1. To bring the law of the Republic of Uzbekistan on underground resources into force as of 1 January 1995.

2. The Cabinet of Ministers of the Republic of Uzbekistan is to:

submit to the Supreme Council of the Republic of Uzbekistan proposals on bringing legislative acts into conformity with the law on underground resources; and

bring government decisions into conformity with the law on underground resources and ensure that ministries, state committees, and departments revise and abolish their normative acts that contradict the law.

3. Beginning 1 January 1995 declare invalid the law of the Republic of Uzbekistan of 25 November 1976 on ratifying the code on underground resources of the Republic of Uzbekistan (Register of the Supreme Soviet of the Republic of Uzbekistan, 1976, No. 33, p. 386) and the decree of the presidium of the Supreme Soviet of the Republic of Uzbekistan of 30 May 1977 on the procedure for bringing the code on underground resources of the Republic of Uzbekistan into force (Register of the Supreme Soviet of the Republic of Uzbekistan, 1977, No. 16, p. 247).

[signed] E. Khalilov, acting chairman of the Supreme Council of the Republic of Uzbekistan
[dated] Tashkent, 23 September 1994

Procedure for Hard Currency Operations

LD1910173194 Tashkent NARODNOYE SLOVO in Russian 19 Oct 94 p 1

[FBIS Translated Text] In connection with the termination of implementing payments and accounts by legal and natural persons in foreign currency from 15 October 1994 and in accordance with the resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 499 from 7 October 1994 on additional measures to develop the currency market of the Republic of Uzbekistan, the following procedure is established for issuing preferential right licences for converting soms into hard currency, and also for settling accounts for goods and services sold on the territory of the Republic of Uzbekistan to residents and non-residents.

1. Permission previously granted by the Central Bank of the Republic of Uzbekistan to carry out trade and render services on the territory of the Republic of Uzbekistan for foreign currency is cancelled.

2. Residents and non-residents are permitted to pay for goods and services in hard currency only with international plastic credit and debit cards.

2.1. The National Bank of External Economic Activities of the Republic of Uzbekistan is the financial institute on the territory of the republic authorized to implement non-cash payments in hard currency with international plastic cards.

2.2. Enterprises and organizations that have agreements with the National Bank of External Economic Activities of the Republic of Uzbekistan on serving the holders of international plastic cards such as VISA, issued by the National Bank of External Economic Activities and foreign banks, can accept them in payment without limitation.

3. Preferential right licences to convert soms into hard currency on the Uzbek Republican Currency Exchange are issued through authorized banks by the Central Bank of the Republic of Uzbekistan to legal and natural persons who supply the consumer market with goods and services purchased for hard currency, including on a consignment basis:

a) to subjects of entrepreneurial activity who previously carried out retail trade and rendered services for foreign currency in accordance with the permission of the Central Bank of the Republic of Uzbekistan;

b) as a matter of priority to subjects of entrepreneurial activity who carry out retail trade and render services through the system of the international plastic card VISA, and to natural persons who are residents of the Republic of Uzbekistan who carry out small wholesale imports of goods from abroad with payments by VISA card.

Further in the text the legal and natural persons mentioned in points a) and b) of the 3rd clause will be termed "importers."

3.1. In order to receive a licence for the right to convert soms into hard currency at the Uzbek Republican Currency Exchange importers will submit to the Central Bank of the Republic of Uzbekistan:

an application including banking information about remaining som funds in a settlement account, which have been obtained from cash receipts for the sale of goods and services;

a certificate from the National Bank of Foreign Economic Activities of the Republic of Uzbekistan on the existence and volume of VISA card operations;

a list of goods imported and sold (with attached customs certificate confirming the goods import);

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a notarized copy of the statutes (regulations) of the enterprise;

a copy of the certificate of registration by the Ministry of Foreign Economic Relations of the Republic of Uzbekistan;

a certificate from an authorized bank on the existence of a current foreign currency account;

natural persons dealing in small-scale wholesale goods import will submit information from the National Bank of Foreign Economic Activities of the Republic of Uzbekistan about their payment operations with VISA cards and a certificate confirming the sale of the imported goods for soms.

The Central Bank of the Republic of Uzbekistan, in accordance with the results of the documents submitted for examination will inform the importer about the decision taken and grant a licence for the right to convert soms into hard currency within 10 days of receiving an application.

3.2. A payment will be made for a preferential right licence to convert soms into hard currency. The size of payment and the payment procedure is established by the Central Bank of the Republic of Uzbekistan.

The licence will be granted after a copy of the payment order or a receipt on depositing the appropriate sum in the Central Bank is submitted.

The importer will present a copy of the licence to the authorized bank where he has his current hard currency account.

3.3. If a licence for the right to convert soms is refused to the importer a reason will be presented.

3.4. Currency conversion for legal and natural persons who are residents will be conducted in accordance with the Central Bank issued license at the Uzbek Republican Currency Exchange through authorized banks in accordance with the established procedure.

In order to take part in trading the importers will submit an application on buying foreign currency in the established form and a copy of the contract to the authorized bank.

3.5. If currency purchased is not used by the importer for its set purpose within 30 days it will be compulsorily sold via the Uzbek Republican Currency Exchange.

The authorized banks are charged with maintaining control over the targeted and timely use of the foreign currency purchased.

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Armenia

Turkish Journalists Arrive To Meet Officials

NC1910155994 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0627 GMT 19 Oct 94

[FBIS Transcribed Text] Yerevan ("AZG" daily), 10/19/94—A group of 17 journalists, representing various fields of Turkish press arrived yesterday to Yerevan.

They met with RA [Republic of Armenia] Foreign Minister Vahan Papazyan, and plan to meet RA President Levon Ter-Petrosyan, State Minister Sepuh Tashdzhyan, and other high-ranking officials. Turkish journalists are willing to participate in a round table with representatives of Armenian media, and will lay flowers to the monument to victims of the genocide. They are also planning to visit the cognac factory.

Trial for Weapons Smugglers Begins

NC1910160294 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0627 GMT 19 Oct 94

[FBIS Transcribed Text] Yerevan ("LRAGIR" daily—PAST), 10/19/94—RA [Republic of Armenia] Supreme Court is now considering the case of a group, who were captured during an attempt of transferring weaponry through the Armenian borders to Turkey.

Seven people of the group are of Kurdish nationality, three others are Armenians. The leader of the operation is a Turkish citizen Firaz, who arrived to Armenia six months ago, to work as a translator in the "BOTAN" newspaper. He is a PKK [Workers Party of Kurdistan] member.

Azerbaijan

Kozyrev Order Seen Bid To Topple Aliyev

NC2010070794 Istanbul YENI GUNAYDIN in Turkish 17 Oct 94 p 15

[FBIS Translated Text] Moscow—Russia, which does not recognize the century's most important oil agreement signed between Azerbaijan and major Western oil firms, has now decided to impose tough economic sanctions on Baku to topple [Azerbaijani President Geydar] Aliyev and shelve the oil agreement.

A directive signed by Russia's Jewish Foreign Minister Andrey Kozyrev and obtained by YENI GUNAYDIN calls for moves to seize Azerbaijan's oilfields and vessels in the Caspian.

Following Aliyev's suppression of the coup attempt by Prime Minister Suret Guseynov, who is known to be "Moscow's puppet," and the detention of Suret and his circle, the Russian foreign minister decided to resort to economic pressure and issued a relevant directive.

In his turn Russian Prime Minister Chernomyrdin informed the relevant ministries of his order to seize Azerbaijan's oilfields and vessels in the Caspian Sea.

This is what Kozyrev's directive, calling for subjecting Baku to pressure and economic bullying, says: "With a note, we already warned the Governments of Azerbaijan, Kazakhstan, and Turkmenistan against a unilateral breach of the Caspian Sea regime. Disregarding our note, Azerbaijan opened its oilfields to exploitation and signed an agreement with the Western firms. Russia's Lukoil is one of the firms participating in the agreement."

"We Will Not Recognize Azerbaijan's Legal Rights"

The most interesting confession in Kozyrev's directive is that because of the share given by Azerbaijan to Lukoil in this agreement, Russia will be forced to accept Baku's legal rights over the Caspian Sea. The Foreign Ministry's directive adds: "In this way we have been recognizing Azerbaijan's legal rights over the most important regions of the Caspian Sea, with the result that the closed Caspian Sea basin is being divided up and Russia is being left with the most unproductive and prospectless sector. A heavy blow will be dealt to our economy, for example the fishing sector, if this situation is accepted. Some think that Azerbaijan's agreement can no longer be prevented. But this is not correct, because this agreement signed by the Western oil consortium is a mere trial balloon."

"Aside from Russia, Iran too is opposing Azerbaijan's unilateral moves. This approach was clearly stated in an editorial in IRAN NEWS, which said: 'The Azerbaijani Government signing an agreement with the Western oil consortium is threatening the national security of Russia and Iran.' Just like us, the Iranians want the five Caspian littoral countries to decide on such issues by agreement among themselves."

Hence Kozyrev is indicating that the oil agreement is unacceptable because it harms their security and asks for the following measures to be implemented in connection with the economic embargo to be imposed on Azerbaijan: "In response to Azerbaijan's unilateral agreement, trade, economic, and financial restrictions should be imposed on Azerbaijan to force it to respect Russia's interests. We are now preparing these measures that would bar Azerbaijani vessels from using Russian territorial water and would remind them of our ownership right to Soviet technology and installations in the Caspian before the collapse of the USSR.

Chernomyrdin: "We Will Impound Their Vessels"

In his turn, in a secret order signed and forwarded to the Finance, Economy, and Foreign Ministries, Russian Prime Minister Viktor Chernomyrdin instructed them to create obstacles to the movement of Azerbaijani vessels on the Caspian and impound them if need be.

Some observers in Moscow are indicating that following the failure of the coup attempt by the pro-Moscow Suret

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Guseynov, Russia will primarily resort to an economic embargo to topple Aliyev. Indicating that Moscow will start pressuring Azerbaijan in the coming days and will try to impose an embargo similar to the one imposed by the United States on Iraq, these observers are saying: "Russia is not recognizing an independent Azerbaijan and is saying so openly through its most authoritative officials."

Russia's Lukoil, SOCAR Discuss Activity in Caspian Sea

NC1910212094 Baku TURAN in English 1251 GMT 19 Oct 94

[FBIS Transcribed Text] Baku, October 19 (TURAN)—An informed source told TURAN that President of Russian Lukoil oil company, Vakhid Alekperov, is presently in Baku.

During his meeting with SOCAR's leadership he discussed the issue concerning joint development of oil-gas fields in Azeri section of Caspian sea. The same source reports that the talks were about new oil-fields, which are not included in "the contract of century".

TURAN agency was reported that during his meeting with the leadership of the country, Vakhid Alekperov, expressed support to the oil contract between SOCAR and western consortium and said that several Russian governmental circles do not intend to hinder realization of oil contract with the consortium.

Caspian Oil Deal May Isolate Russia

MM2010083994 Moscow IZVESTIYA in Russian 19 Oct 94 p 13

[Article in "Ekspertiza" section by expert group of Moscow State University's Independent Institute for Sociohistorical Problems and of the "Foros" Foundation: "Caspian 'Intrigue.' The Struggle for Oil Could Have Sad Consequences for Russia"]

[FBIS Translated Text] Recent events surrounding the prospects for developing the oil fields on the Caspian shelf have shown that certain former union republics are not only moving further and further away from Moscow but also trying to "incorporate" themselves in the political and economic habitat of other states. Although the main outline of the events connected with the possibility of a cardinal change in economic guidelines and the geopolitical situation in the Caucasus as a whole is already known, let us venture to recall the key moments of the multimove intrigue which unfolded in this region over the course of several years.

The disintegration of the Soviet Union led to the emergence in the Caucasus of three new sovereign states which were rather unstable from both the economic and the political viewpoints. The territory of all-union sanatoriums and resorts, of vineyards and oil derricks turned into battlefields of interethnic, civil, and interstate wars. The fact that the process of the redistribution of state property and property of the whole people into the hands of private owners was taking place here in parallel with the coming into being of the new states also had a substantial effect.

Stability was also upset in the North Caucasus. As a result of Aviation Major General Dzhokhar Dudayev's accession to power in Groznyy, Moscow's control over part of the Baku-Novorossiysk oil pipeline was significantly complicated, if not lost.

Virtually right after Abulfas Elchibey's's accession to power in Baku the leadership of Azerbaijan began talks with a number of Western companies on the development of the oil fields located on the Caspian shelf not far from the Apsheron Peninsula. It was only on the territory of this Caucasian republic that the size of the raw material stocks proved sufficient to interest Western businessmen.

At first Russia's's economic interests were not taken into account when deciding on the composition of the members of the consortium, but after Heydar Aliyev acceded to power in Baku, corrections were made to the original accords, and the Russian "Lukoil" Company, a significant proportion of whose shares is controlled by the Russian Government, appeared among the participants in the development of the oil fields. The Russian Government's benevolent attitude towards the development of the oil fields located not far from the coast of Azerbaijan is borne out by the fact that this company was operating in the Caucasian republic on the basis of an intergovernmental agreement between Baku and Moscow of 23 October 1993, which stipulated "Lukoil's" right to work on the Caspian's Azerbaijani shelf. At the beginning of the year Viktor Chernomyrdin, chairman of the Council of Ministers, once again confirmed to Azerbaijani President Geydar Aliyev in a telephone conversation that Russia had no complaints about Baku's contract with Western companies.

The first signals of Moscow's dissatisfaction with the agreement that was being drawn up started to arrive only in the spring of 1994, when voices began to be heard increasingly loudly in the Turkish capital in respect of the expediency of altering the procedure for sea-going ships to pass through the Bosporus and Dardanelles Straits. It was essentially a question of "stopping up" the narrow mouth linking the Black Sea and the Mediterranean to Russian oil tankers—the Turkish authorities stressed specifically ecological arguments in explaining their position, which defines more precisely the provisions of the 1936 Montreux international convention. Some Russian analysts pointed out even then that the abandonment of the "notification" principle of the passage of ships through the aforesaid straits and the switch to a procedure which involves the mandatory obtaining of permission to proceed might encourage the construction of oil and gas pipelines outside the territory of Russia (across Turkish or Iranian lands)—which will

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lead to a qualitative change in the situation in the south of Russia and in the nearest abroad.

The attempt by the Russian Federation Ministry of Foreign Affairs to get amendments made to Ankara's position with respect to the regime governing the Black Sea straits had no success. Attempts by Russian diplomats to prove to the world community that this step of Turkey's did not conform to paragraphs of the 1936 Montreux convention ended in failure. A demarche in respect of London ended in the same results—the British ambassador to Russia was sent a note which pointed out that the lack of sectorial demarcation of the bed of Caspian and the closed nature of the body of water with a single ecological system rule out an individual procedure for concluding treaties on the development of Caspian raw material deposits. The British Petroleum Company, the major investor in the project to develop the oil shelf near Azerbaijan, did not end its membership of the consortium.

In the end a contract was signed in September 1994 between the State Oil Company of Azerbaijan and a consortium of foreign companies to jointly develop the "Chirag," "Azeri," and Gyuneshli" oil fields. This October, having met with Turkish President Suleyman Demirel, Azerbaijan President Geydar Aliyev stated that Baku recognizes Turkey's indisputable right to lay a strategic pipeline across its territory.

Although Azerbaijan's parliament still has to ratify all these treaties and agreements, they allow us to make certain assumptions about the situation developing in the southern former Soviet republics.

First. A new geopolitical reality is coming into being as a result of Moscow's loss of control over the Soviet Union's oil regions. The acquisition by the USSR's Caucasian and Asian republics of their sovereignty fixed this from the point of view of international law.

Second. Western countries are beginning to exert an influence in these oil regions which have recently been "thrown open to the West" through their oil companies. They are penetrating into Azerbaijan and Central Asia and are creating "windows" onto the Mediterranean there. Only potential social, economic, or political instability in these regions may hamper this process as Western businessmen are unlikely to invest money in a risky business.

Third. Guaranteeing the influence of this or that country in those states through whose territory the new gas and oil pipelines will be routed is becoming extremely important. In connection with this, it is becoming extremely important for Russia to gain a firm foothold in Armenia, through whose territory the oil pipeline from Azerbaijan to Turkey's Mediterranean coast may be laid. It seems that the military base about which an agreement was signed during Federation Council Chairman Vladimir Shumeyko's visit to Yerevan will be suffice for this purpose.

Fourth. On the Russian Federation's southern borders a new leading regional state is emerging, which, in the words of President S. Demirel, is aspiring to create a "peace zone around itself, stretching across the Balkans, Black Sea, Caucasus, and the Near East." At the same time, this state's leadership, having obtained the support of international organizations for its initiatives to limit shipping in the Black Sea's straits, is in control of the only navigable waterway from the Black Sea to the open seas. This is a reality which a currently weakened Russia cannot ignore.

As a result Moscow is beginning to lose control over the flow of raw materials not only from the Caucasus but also from Central Asia. A case in point was the signing by the presidents of Turkmenistan and Iran of an agreement in Tehran at the end of August 1994 on the construction of a gas pipeline through which Turkmen gas will flow across Iran and Turkey to Western Europe.

A very large system of gas and oil pipelines running outside Russia may change the situation in this region radically. Its consequences may be compared to the discovery of the sea route to India around Africa and the discovery of the continent of America, as a result of which the Italian city-states were pushed onto the periphery of European politics. If the project to construct a new oil pipeline is successfully implemented, we should expect a weakening of Moscow's influence not only on the states of Central Asia and the Caucasus, but also of the Balkan Peninsula.

Thus, it seems that the "contract of the century" and all the attendant problems are just a specific example of an ever increasing tendency for Russia to be isolated from the major transport routes.

Georgia

Butrus-Ghali Criticizes Abkhaz Settlement Progress

LD1910193794 Tbilisi Radio Tbilisi Network in Georgian 1600 GMT 19 Oct 94

[FBIS Translated Text] The political settlement of the Abkhaz conflict is proceeding extremely slowly due to a lack of progress on the issue of the refugees. This is a conclusion from a report on the situation in Abkhazia submitted by UN Secretary-General Butrus Butrus-Ghali to the Security Council.

It has already been a year since hostilities in Abkhazia created a large number of refugees and displaced people. Despite persistent efforts on the part of my personal envoy and others, it has been extremely difficult to achieve progress in the political sphere, stated Butrus-Ghali.

He noted that a lack of agreement on the issue concerning the return of the refugees without delay had created significant difficulties and obstacles during the discussion of other issues.

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I hope that a sufficient level of agreement has now been reached to ensure progress on the issue of the refugees. If so, such a situation will allow my special envoy to apply all his efforts to the talks on Abkhazia's political status, which is a central issue in the conflict between Georgia and Abkhazia, said Butrus-Ghali. He stated that without progress in these spheres, tension would continue to grow to the detriment of both sides.

NLF Demands Refugee Return

AU1910141994 Tbilisi REZONANSI in Georgian 13-14 Oct 94 p 1

[Unattributed report: "A New Front of Fighters"]

[FBIS Translated Text] On 12 October, the constituent conference of the National-Liberation Front [NLF] was held in the Griboyedov Theater [in Tbilisi]; it was opened by Professor Irakli Surguladze. He pointed out that the creation of the NLF had been initiated by members of parliament Tengiz Sigua [former prime minister], Tengiz Kitovani [former defense minister], and Boris Kakubava [leader of the Movement for the Liberation of Abkhazia] and Zurab Samushia, commander of the opposition detachment in the Kodori Gorge [in Abkhazia].

Sigua gave a presentation of the NLF. He gave a critical assessment of the political and economic situation that had taken shape in Georgia, for which he blamed the authorities. In his view, a precondition for emerging from the crisis was the state's territorial integrity and defense, which should be implemented against the background of national accord. The newly created NLF will serve precisely the realization of this aim, he added. He also pointed out that Georgia's current authorities, under the leadership of a member of the former USSR Communist Party Politburo, were more interested in opening their own hard currency accounts abroad than in Georgia's fate and, as such, one could not expect them to implement effective measures in order to save the state. According to Sigua, this is shown by "the signing of the treacherous treaty in Sochi on 27 July 1993" in accordance with which Georgian heavy weapons were removed from the territory of Abkhazia and, also, by fighters defending Kodori Gorge being declared bandit formations. At the same time, Tengiz Sigua, as a member of parliament, excused himself of responsibility for these events. He recalled the parliamentary session of 24 July 1994, at which the quadrilateral draft treaty had been discussed. The draft had caused a great dispute and, as Sigua pointed out, when Shevardnadze discovered that agreement would not be reached on the draft, he stated: "I do not believe that this document should be put to the vote and I will bear responsibility for all the consequences." Sigua said that not a single document pertaining to the negotiations with the Abkhazian side had been voted upon.

The NLF prefers to achieve its aims by peaceful and diplomatic negotiations, but if the opposing side incites hostilities, the NLF will form partisan detachments and a popular army and will oppose armed force with force.

The NLF will actively participate in future parliamentary elections.

Tengiz Sigua stated that he could not see the return of the refugees to their native land being resolved by peaceful means. Each new document adopted as a result of negotiations with the Abkhazian side was more one-sided than the previous one. On 1 October, the Abkhazian side allowed 100 Georgian refugee families to return but, on 9 October, it stated that only 14 of them would return. According to Sigua, it is not possible for any family to return until its safety is guaranteed.

Member of parliament Boris Kakubava pointed out that refugee women and children were sitting in buses awaiting an order from General Kondratyev [Russian deputy defense minister] allowing them to return. They are unable to get out of the bus the whole day for fear of being left behind; then, information is received about a sit-down by 12 Abkhazian women in mourning clothes demanding that not a single Georgian should return to Abkhazia—and this on account of the fact that just 14 Georgian families are to return to their native home. According to Kakubava, this is absolutely degrading.

It was said at the conference that the NLF would try not to oppose the current authorities in order to achieve its aims.

Sources Say Russia To Set Up 3 Military Bases

LD1910201994 Moscow ITAR-TASS in English 1904 GMT 19 Oct 94

[FBIS Transcribed Text] Tbilisi 19 Oct (ITAR-TASS)—A draft interstate treaty envisages setting up of three Russian military bases in Georgia—near Tbilisi, Akhalkalaki and Batumi, GIA-TASS news agency was told by reliable sources.

Russian Defence Ministry official, Lieutenant-Colonel Aleksandr Galkin ended his visit to Georgia today. The two sides discussed the deployment of Russian Armed Forces in Georgia. No official statement has been made after the talks.

Agreement on Russian Bases Delayed

LD1910150494 Moscow INTERFAX in English 1410 GMT 19 Oct 94

[FBIS Transcribed Text] Russia and Georgia nave ended talks in Tbilisi by failing to reach agreement on the setting up of Russian military bases there, a spokesman for the Transcaucasian Group of Russian Troops told Interfax.

He said Tbilisi wants to delay the negotiation until a better time because of the opposition's strong protest against the deployment of Russian bases in Georgia.

But no word is given of details of the talks by the Georgian side.

Russia wants to set up three bases in Georgia including one 30 kilometers away from the capital Tbilisi, a second one along the Turkish border and a third one in Batumi, the capital of Ajaria.

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No Military Participation in NATO Black Sea Exercise

LD1910204394 Tbilisi SAKINFORM in Russian 1721 GMT 19 Oct 94

[FBIS Translated Text] Georgia will not participate as an observer in a joint naval exercise by NATO and former Warsaw Pact countries. It has emerged that the exercise will be held in the southern part of the Black Sea between 20 and 26 October in order to bring the navies of former Warsaw Pact countries into line with NATO standards. It was expected that Georgia would take part in the exercise as an observer. However, according to the Georgian Defense Ministry press center, at the last minute the command of the Georgian Navy refused to take part.

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Estonia

Swedish Foreign Minister Visits; Gives News Conference

Luik Reports on Talks

LD1910140994 Tallinn Radio Tallinn Network in Estonian 1800 GMT 18 Oct 94

[FBIS Translated Excerpt] Swedish Foreign Minister Lena Hjelm-Wallen is visiting Estonia. She gave a news conference today. Urmas Loit reports:

[Loit] Swedish Foreign Minister Lena Hjelm-Wallen met President Lennart Meri, Prime Minister Mart Laar, and Foreign Minister Juri Luik. Luik summed up his meeting with the Swedish foreign minister:

[Begin Luik recording] I believe her visit to Estonia had great symbolic weight, especially after these catastrophic events with Estline's ferry. I think her visit to Estonia symbolizes the close relationship between the Swedish and Estonian peoples, which survives through even the most complicated situations. Naturally, the visit of the Swedish foreign minister to Estonia is symbolic evidence that Sweden will continue to support Estonia as it has already done for years. [end recording]

[Loit] [passage omitted] Cooperation projects and Swedish grants to Estonia were discussed.

[Begin Luik recording] There will be aid to finance the military pensioners' fund, because there are a certain number of Russian military pensioners who want to leave Estonia. Aid will also be given to clean up Paldiski. Nearly 1 million U.S. dollars have been promised for both projects.

We also discussed visa-free travel and decided that, in principle, there should be visa-free movement between Estonia and Sweden. However, this is a long process, and quite a few technical stages have to passed. Today it is naturally impossible to give a final deadline when the visa-free regime is to begin between Estonia and Sweden.

We also discussed several economic projects. The new Swedish Government has emphasized the need to discuss the so-called Norwegian gas pipeline project. This is the project that would allow the Baltic states and Poland to get independent gas supplies, so they can choose between the gas suppliers—whether it would be Russia or Norway. [end recording]

Pledges $1 Million Aid

LD1910125694 Tallinn Estonian Television Network in Estonian 1900 GMT 18 Oct 94

[FBIS Translated Excerpt] Swedish Foreign Minister Lena Hjelm Wallen is paying a two-day visit to Estonia. She had a lengthy discussion with [Estonian] Foreign Minister Juri Luik. Both laid emphasis on the continuation of good relations between Estonia and Sweden. Lena Hjelm Wallen also met with Prime Minister Mart Laar and President Lennart Meri. [passage omitted]

As to the new Swedish Government's policy toward Estonia, the [Swedish] foreign minister emphasized that the policy of neutrality comes deeply and naturally to Sweden but that neutrality does not mean indifference.

Foreign Minister Lena Hjelm Wallen stated that Sweden will continue to provide financial assistance toward both the Russian military pensioners leaving Estonia and a clean-up of the area around Paldiski [former Russian naval base]. Estonian Foreign Minister Luik said at a news conference that Sweden has pledged approximately $1 million for both ends. He said that other countries have also promised to support the fund for the Russian military pensioners' departure.

WEU Said Road To NATO Membership

LD1910162694 Tallinn Radio Tallinn Network in Estonian 1400 GMT 19 Oct 94

[FBIS Translated Text] Vello Saatpalu, the chairman of the Parliament foreign affairs commission, believes that Estonia's way to NATO lies through the Western European Union. Saatpalu, who returned from a meeting of the leaders of foreign and defense commissions of the Union's member-state parliaments in Paris, said that as the next step, Estonia would probably become an associated member of the Union and thereafter an observer member. Estonia is currently an associated partner of the Union.

Authorities Instructed To Locate Russian Illegals

LD1910155594 Tallinn Radio Tallinn Network in Estonian 1800 GMT 18 Oct 94

[FBIS Translated Excerpt] A scheduled government session took place today. Mati Kirotar went along to the news conference that followed.

[Kirotar] The government discussed matters to do with identifying Russian military pensioners and reservists and their family members. However, has anybody been involved with identification of the military pensioners and reservists and their family members who are in Estonia illegally and, if so, then at what level? Here is Prime Minister Mart Laar:

[Begin Laar recording] The Russian side has handed over a list, albeit with a slight delay, of reservists and their family members who are in Estonia officially. This, I emphasize, is the only list the government can proceed from when it comes to decisions over residence and work permits. The rest of the Russian reservists are definitely in Estonia illegally.

The instructions that were sent to official establishments today are primarily aimed at identifying the individuals who are in Estonia illegally, so that the government can obtain information about their existence. This is required in order to resolve the issue. It is clear that there

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are such individuals in Estonia. We have been dealing with this issue, and the security police have also been dealing with it seriously. Individuals have been detained and transported out of the country.

Now, in order to carry out this process more effectively, relevant state structures have been given instructions. Naturally, those individuals who are here legally, on the basis of this list, are a separate issue, until the fate and status of their residence and work permits is decided. [passage omitted] [end recording]

Status To Be Clarified

WS1910115394 Tallinn BNS in English 2031 GMT 18 Oct 94

[FBIS Transcribed Text] Tallinn, Oct 18, BNS—The acting Cabinet in a ruling on Tuesday [18 October] ordered measures aimed against illegal staying of retired Russian military and their family members in the country.

The ruling commissions the Citizenship and Migration Department to conduct checks into the data provided by the Russian Embassy in Tallinn about the former military and their families. The department is also to work closely with local authorities, police, the border department and the Defense Ministry in drawing up correct lists and ensuring proper registration of the retired military and their family members not named in present records.

Data on those people must be made available to state offices. At the same time all departments which have at their disposal any respective information must notify the Citizenship and Migration Department of this by Nov. 1.

Acting Prime Minister Mart Laar while briefing reporters after the Cabinet session said the government knew there were retired Russian army and naval officers and noncommissioned officers as well as their families who illegally continued to live in the country. "Some of such persons have already been detained and sent out from the country," Laar added.

Latvia

Leaders Receive UN Commissioner for Human Rights

LD1910190494 Riga Radio Riga Network in Latvian 1800 GMT 19 Oct 94

[FBIS Translated Text] At the invitation of the Latvian Government, Jose Ayala Lasso, UN High Commissioner for Human Rights, is in Riga on a two-day visit. Today he met State President Guntis Ulmanis, Prime Minister Maris Gailis, State President Guntis Ulmanis [as heard], Foreign Minister Valdis Birkavs, Saeima Chairman Anatolijs Gorbunovs, Minister of State for Human Rights Janis Tupesis, and representatives of religious sects.

Lasso gave a generally positive assessment of the work of the Latvian Government and of other state institutions in settling human rights problems. However the commissioner stated that what is important is the practical functioning of the programs worked out by the government, of the laws adopted by the Saeima, and of the institutions created for human rights.

During the visit, Lasso is also recommending that Latvian Government representatives consider the possibility of acceding to the Convention on the abolition of the death penalty. Speaking about the citizenship law, Lasso said that knowledge of the Latvian language is very important, but this problem should not be an obstacle to obtaining Latvian citizenship. Lasso added that there are other important conditions for receiving citizenship, including loyalty to the state.

This evening Jose Ayala Lasso will go on to Estonia.

NATO Commander Meets Defense Minister

LD1910170294 Riga Radio Riga Network in Latvian 1400 GMT 19 Oct 94

[FBIS Translated Text] To become acquainted with the situation in the Latvian Defense forces and the process of reorganization in the National Armed Forces, Air Marshal Sir Richard Johns, the commander in chief of the Allied NATO Forces Northeastern Europe [title as received], has arrived in Latvia. Issues related to the Latvian Defense Ministry and NATO in the framework of the cooperation program Partnership for Peace [as heard] were discussed at a meeting with Latvian Defense Minister Janis Arveds Trapans today. Specific issues related to the Baltic peacekeeping battalion, the possibility of training officers, and the military education system as a whole were discussed during the talks.

But Juris Dalbins, the commander of the National Armed Forces, acquainted Johns with the situation in the National Armed Forces and discussed the possibility of tackling problems related to reorganization of the Armed Forces. Johns will also meet Foreign Minister Valdis Birkavs and ambassadors of NATO member states accredited to Latvia. He will also look at the Suzi reconnaissance landing battalion of the Defense Forces.

Navy's 75th Anniversary Commemorated

LD1910201594 Riga Radio Riga Network in Latvian 1800 GMT 19 Oct 94

[FBIS Translated Text] Representatives of the navies of Western European countries and Lithuania arrived in Latvia today to take part in the commemoration of the 75th anniversary of the Latvian Navy and inspect the work of the Navy. During the visit, the naval representatives are due to meet the heads of the Latvian Navy and national armed forces. As is known, in October 1919, there was a battle for liberty against Bermont's forces. On 15 October the navies of Latvia's allies, England and France, took part in the crossing of the

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Daugava River and the taking of the Daugavgriva fortress. This day is regarded as the foundation day of the Latvian Navy.

Plan Approved To Fortify, Protect Border

WS2010093794 Riga LABRIT in Latvian 12 Oct 94 p 1

[Report by Rita Zvidra: "Concept of Border Protection Accepted"]

[FBIS Translated Text] The concept of fortifying the Latvian border, initially drafted by the previous government of Valdis Birkavs and later frequently reviewed and corrected, was accepted yesterday in its final form at the session of the Cabinet of Ministers. The project was worked out taking into account the present relations with the neighboring countries, as well as the legislative acts regulating activities of the Latvian Border Guard forces.

According to Captain Janis Adamsons, commander in chief of the Latvian Border Guard brigade, three divisions will be created for the protection of the state border: the northern—along the border with Estonia; the eastern—along the border with the Russian Federation and Republic of Belarus; and the southern—along the border with Lithuania. The concept also foresees amendments in the structure of the Border Guard forces. Instead of the present battalions, squads, and detachments, convoys will be created. In addition, a subsequent transfer to professional service will be implemented. Adamsons predicted that by 1997 around 80 percent of the members of the Border Guard forces will be professionals. The concept also foresees a change of subordination. Up to now, they were subject to the Ministry of Defense, but in the future they will be placed under the authority of the Ministry of Internal Affairs.

On account of the fact that the majority of people who cross the border illegally come to Latvia from the East, the new border protection system foresees special reinforcement along the eastern border. As we were told by Adamsons, during this year the border was crossed illegally by 6,500 people; 90 percent of them arrived from Russia. In the immediate future, the distances between the cordons of border guards on the eastern border will be reduced.

The reorganization of the Border Guard forces is scheduled to be finished by 30 December 1997. The cost of reorganization will amount to 86 million lats.

Lithuania

Seimas Member Discusses Visit to Moscow

LD1910180394 Vilnius Radio Vilnius Network in Lithuanian 1420 GMT 19 Oct 94

[FBIS Translated Text] A delegation of Lithuanian MPs headed by Kazys Bobelis, chairman of the Seimas foreign affairs committee, returned from Moscow today. Here is Vytautas Pleckaitis, a member of the Lithuanian Seimas delegation, talking about the meetings between Lithuanian and Russian parliamentarians which took place during the two day visit in Moscow.

[Begin recording] [Pleckaitis] I think that this visit was useful, rather informative, and helped the Lithuanian MPs to clarify the opinions not only of Russian parliamentarians and politicians, but also the opinions of the executive power in general on the very important issues of Lithuania's security—as well as on the issues concerning the transit from the Kaliningrad region, on the Lithuanian economy, and the financial system and how much it was linked with Russia. In general, Russia's point of view on our state and the future of our state.

In this respect, it is interesting to hear the opinion on such topical issues voiced by responsible Russian politicians who are making decisions and who, it seems, are also have an influence on the president.

Although reports had appeared in the press that allegedly negotiations were under way about Russian transit to the Kaliningrad region, it is clear, however, that there had been no negotiations because this task is carried out by the negotiation delegation headed by Bulovas. It seems that it is not a secret that during our visit, Bulovas had a separate meeting and presented a new edited version of the draft agreement on transit to the Russian Ministry of Foreign Affairs.

Unfortunately, when talking to Lithuania the Russian Ministry of Foreign Affairs takes a rather patronizing attitude, and sometimes the imperialist tone is also felt when they are dealing with Lithuania. And of course they want by all means to link the transit regulations with the agreement on most-favored nation status. In fact, if the Lithuanian sides aspires to make the regulations as internal regulations which would be applied to all the states, then Russia exerts first of all economic sanctions on Lithuania. According to Russian politicians other measures will also be applied to exert pressure until a bilateral agreement has been signed.

[Unidentified correspondent] A treaty or an agreement?

[Pleckaitis] The Russians use the word dogovor [agreement]. Most likely, it will be an agreement, because it is an agreement between the sides which is becoming a treaty. It obliges the other side to observe some regulations stated in an agreement or a treaty. It is not a novelty to us that transit is linked with the agreement. But, may be, it will be a novelty that such obvious pressure is exerted on the Lithuanian side. Among 130 other states with whom Russia maintains good trade relations and to whom a favorable regime is applied, it is only Lithuania which does not enjoy such a favorable regime. They gave to understand that, as they say, an agreement is an agreement, but actions are different. It seems, the Russians will not give in, and the Lithuanian side, evidently, has demonstrated insufficient foresight in the negotiations with Russia and, in fact, took upon

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itself conditions imposed by Russia in the transit agreement. The Russians are not satisfied with the transit regulations and therefore are forcing the Lithuanian side to improve these regulations accordingly.

[Correspondent] During his recent visit Shumeyko, one of the leaders of the Russian parliament, claimed that two problems were separated during his visit - the military transit and the favorable trade regime.

[Pleckaitis] One should weigh very carefully statements by responsible politicians, especially those who visit Lithuania and speak mostly to the public. Their words and their concrete deeds rather differ. If to speak about matters which are of interest to Lithuania, we talked about the status of the Kaliningrad region. It is interesting that, on the whole, the Duma deputies who are drafting a new status of the Kaliningrad region favor the granting of a great deal of independence to the region. [passage indistinct] in Russia's regional policy. This, of course, would make it easier for Lithuania to solve bilateral relations between this region and Lithuania.

I can add that it was clearly stated at all levels during our meetings, and it was stressed by high-ranking officials at the Ministry of Foreign Affairs, that Russia was against any expansion of NATO, not only against the Baltic states joining NATO but, on the whole, this applied to the Visegrad countries which includes Poland. Of course, probably, there will be a clash at a very high level between Russia and the NATO countries, above all, the United States. The security of these countries and of our country will depend to a great extent on, I would say, the flexible position of the great Western states. Of course, we ourselves should accentuate that our security depends on the guarantees of Western countries and their obligations to the Baltic states.

On the other hand, one may say that the circles in Russia leading currently this large state [passage indistinct] do not speak of any possible incorporation or return to [word indistinct], but it seems there is a striving to preserve a great influence of their country in the Baltic states and, of course, in Lithuania, to tie to Russia each of these countries with certain agreements, obligations, etcetera. [end recording]

Opposition: Renounce Military Transit Accord

LD1910134494 Vilnius Radio Vilnius Network in Lithuanian 1000 GMT 19 Oct 94

[FBIS Translated Text] Rasa Rastauskiene, the opposition's spokeswoman for the press, reported that members of the Seimas [parliament] administration and leaders of parliamentary groups were invited by President Algirdas Brazauskas to attend a sitting at 1100 today to discuss amendments to the Constitution proposed by the Lithuanian Democratic Labor Party. These proposals include granting the right to purchase land in Lithuania to foreigners, reduction of the number of Seimas members from 141 to 101, and extending the local governments' term in office from two to four years.

Rasa Rastauskiene said the president proposed that in future proposed amendments to the Constitution be discussed without presenting any drafts.

Vytautas Landsbergis, leader of the parliamentary opposition, presented the president with a demand, signed by all political parties except the Lithuanian Democratic Labor Party [LDLP], that the treaty with Russia on military transit be renounced and restricted only to amended regulations and single case passes.

The opposition regards this problem most pressing and topical and believes it could increase the split between Lithuania's political forces and the public. The opposition said the president could help avoid this if he did not identify himself with the LDLP.

Discussion of other problems would mean wrong priorities and diverting attention from the most important issue.

The president did not agree with this definition of political priorities and refused to discuss issues related to the treaty on military transit.

Rasa Rastauskiene, the opposition's spokeswoman for the press, reported that as a result the opposition chairman and the chairmen of the Christian Democrats and the Homeland Union parliamentary groupings decided not to take part in an unprepared sitting but to discuss future matters of low priority.

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